Daily Report

Central Eurasia

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Muslim Leader Ousted, Joint Congress To Elect Successor

MK0211105094 Moscow KOMMERSANT-DAILY in Russian 2 Nov 94 p 3

[Report by Polchachak Khananova: "Muslim Chief Fired. Mufti Accused of Offending Islamic Traditions"]

[FBIS Translated Excerpt] The emergency congress of the Central Spiritual Administration of the Muslims of Russia and European CIS Countries [CSAM], which was held in Ufa yesterday, made an unprecedented decision—the administration chief, elected for life, was dismissed from his post and defrocked as a mufti. Talgat Tadzhuddin, who has headed the CSAM for 15 years, was charged with "violating Islamic tenets, moral degradation, and disorganizing the activity of the CSAM;" in addition, a theory of his "grave psychological state" was circulated. This decision by the congress may deepen a divide in the Muslim world. [passage omitted]

Statements by a handful of Talgat Tadzhuddin's supporters that the charges are groundless and are only a means in the struggle for power and the right to control CSAM assets did not affect the vote. As a result, the congress made an amendment to the Central Administration's charter providing for the possibility of electing the mufti. The congress appointed Zamir Khaydullin, former CSAM senior secretary and a graduate of the Bukhara medrese and Cairo Islamic University, as acting mufti.

It was decided to convene a joint congress of the Central Spiritual Administration of Muslims of Russia and CIS European Countries and the Higher Coordinating Council of Russian Spiritual Administrations in the near future to elect a new Muslim head and to consider the problems of cooperation and unification. Observers, however, see the unification as unrealistic and expect an escalation of the struggle between the Higher Coordinating Center and the Central Spiritual Administration.

Kurds Form CIS Organization, Moscow 'Uneasy'

MK0211113094 Moscow NEZAVISIMAYA GAZETA in Russian 2 Nov 94 pp 1,2

[Report by Aydyn Mekhtiyev under the "Unification" rubric: "Confederation of CIS Kurdish Organizations Created. This May Worsen Relations Between Ankara and Moscow"]

[FBIS Translated Text] A founding congress for the Confederation of Kurdish Organizations of the CIS has been held in Moscow. Nearly 80 delegates arriving from various CIS regions as plenipotentiary representatives of Kurdish movements made a decision to "unite Kurdish organizations in the CIS to form a single powerful structure." A press statement signed by forum participants says: "The fall of the Iron Curtain, and the CIS Kurds' having come to know about the national liberation struggle of the people of Kurdistan, and their joining this struggle, has opened up new prospects for the 'Soviet' Kurds." Much as many observers predicted, the forum has increased tensions in relations between Moscow and Ankara. On the threshold of this congress, Turkish Foreign Ministry press secretary Farhad Ataman came forward in Ankara with a sharp statement in which he drew the Russian leadership's attention to the fact that "the congress of Kurds in Moscow may prove to become an object of manipulation on the part of the terrorist Kurdish Workers Party (KWP), which is trying to take advantage of the event for its own propaganda purposes." The Russian side, however, has not reacted in any way to such a warning. The KWP is known to be waging an armed struggle against the Turkish Government for the creation of an independent Kurdistan. Notable is the fact that present at the congress in Moscow were also representatives of the Front for the National Liberation of Kurdistan (FNLK), closely linked with the KWP. One FNLK leader, Ahmed Dere, responding to a question from your NEZAVISIMAYA GAZETA correspondent on which hopes his organization pins on the present forum, underlined: "We hope that the Conference of Kurdish Organizations of the CIS will give moral support to our liberation struggle against the Turkish authorities."

It should be recognized that congress participants voiced unconditional solidarity with FNLK policy. The forum's delegations came forward with a protest against the actions of the British police, who are holding Kani Yilmaz, FNLK representative in Europe. Speaking in Moscow yesterday in a press conference that summed up the congress' results, Sharaf Ashiri, a leader of the Confederation of Kurdish Organizations of the CIS, stated: "The goal of our organization is not only to preserve the uniqueness of CIS Kurds, but also to give assistance to our fellow Kurds who are waging a struggle against the Turkish regime."

Thus, the leaders of the announced Confederation do not hide their affinity with the KWP active in Turkey. Observers conclude that the KWP's future cooperation with the Confederation would considerably broaden the possibilities of this organization in the sense of stepped-up military operations against Ankara. It is feared in Turkish political circles that Moscow would most probably take advantage of the creation of the Confederation of Kurdish Organizations of the CIS as a vehicle of pressure on Ankara to wrench from it concessions on disputed questions of regional policy. Also yesterday, in a news briefing at the Russian Federation Foreign Ministry Press Center, Grigoriy Karasin, an official representative of the Russian foreign policy department, evaded an answer to the question on whether Moscow regards the Kurdish Workers Party as a terrorist organization, stating only that Russia's leadership has nothing to do with the fact of creating in Moscow the Confederation of Kurdish Organizations of the CIS.

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ITAR-TASS Carries Press Review for 3 Nov

LD0311065594 Moscow ITAR-TASS in English 0544 GMT 3 Nov 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow November 3 (ITAR-TASS)—The Moscow press concentrates this Thursday on the postponed visit by Russian Premier Viktor Chernomyrdin to Poland as a result of the assault and battery of Russian citizens at the Warsaw railway terminal.

The ROSSIYSKIYE VESTI newspaper, close to the Russian president's office, writes that "the Warsaw authorities should give a clear-cut answer concerning the incident with Russian citizens".

"The incident with the beating and illegal detainment of our citizens, which should be thoroughly clarified, in the light of international practices, on the eve of the Russian cabinet head's official visit, is only a single event in the propaganda campaign launched in Poland against Russia," the newspaper notes.

"Russia has never conflicted with other states because of an offence committed against its ordinary citizens," the army newspaper KRASNAYA ZVEZDA writes. "the premier reminded the country of national pride," the daily stresses.

"The Russian state," the IZVESTIYA newspaper echoes, "is ready consciously to complicate relations with Poland by protecting the honour of several rank-and-file citizens."

Head of the government press service Valentin Sergeyev said in an interview with the KOMSOMOLSKAYA PRAVDA newspaper that "the visit's cancellation is a logical consequence of the fact that the Polish Foreign Office avoids to give a clear-cut appraisal of the incident in its replies".

The TRUD newspaper stresses that Russia "will not put up with humiliation of its citizens, and it is impossible for the Russian cabinet head to conduct negotiations on equal terms under such circumstances".

Newspapers continue commenting on the Russian president's decision to remove Matvey Burlakov from his post of deputy defence minister.

ROSSIYSKIYE VESTI believes that this took place after "the mass media's pressure" and that "General Burlakov's resignation inflicted a heavy blow on the prestige of the defence minister".

In the opinion of the NEZAVISIMAYA GAZETA newspaper, "Boris Yeltsin made a move which, as he believes, will enable him to strengthen his position in army quarters, and especially in society".

KOMSOMOLSKAYA PRAVDA states at the same time, referring to "the opinion of high-ranking army officers" at the Defence Ministry that Burlakov became "a pawn" in squabbles of mafiosi on a nation-wide scale.

The IZVESTIYA and PRAVDA newspapers carry an interview with Sergey Yushenkov, Defence Committee chairman of the Russian parliament lower house, where he favours a resignation of Defence Minister Pavel Grachev.

NEZAVISIMAYA GAZETA reports a news conference by Stanislav Terekhov, the notorious chairman of the opposition Union of Army Officers, who said that an assassination of Defence Minister Pavel Grachev is being hatched, and that responsibility for the murder, according to Terekhov, will be laid at the door of the Union of Army Officers.

Reporting a meeting of the Russian Security Council which approved the results of work by a government commission investigating circumstances behind the rouble collapse, IZVESTIYA writes that government officials guilty of this event will be sacked.

However, NEZAVISIMAYA GAZETA believes that "those guilty of the rouble crash escaped again", authorities will only stage "a show of their punishment".

The situation in Chechnya remains unpredictable, KRASNAYA ZVEZDA writes. The newspaper reports talks between leader of the opposition Provisional Council Umar Avturkhanov and some Russian politicians in Moscow, following which he said that "everything will be settled by the new year".

PRAVDA notes that over 40,000 pensioners in Chechnya became hostages of events in the republic. They cannot receive pensions because of suspension of financial operations with the republic.

The SOVETSKAYA ROSSIYA newspaper prints a feature on the results of the protest day carried out by trade unions on October 27 against falling living standards. It notes that 8.5 million people participated in the action.

Rallies in a third of Russian regions adopted resolutions demanding resignation of the government, early elections of the president and immediate solution of economic problems. Rallies in another third of regions appended economic demands with a condition that if their are not fulfilled, political demands will be put forth immediately.

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Understanding of UN-NATO Accord on Bosnia Outlined

LD0311093494 Moscow ITAR-TASS in English 0814 GMT 3 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations November 3 TASS—Russia expressed its understanding, at closed Security Council consultations on Wednesday [2 November], of agreements reached between the United Nations and NATO last week on a change in the procedure of air raids in Bosnia, ITAR-TASS learnt from reliable diplomatic sources.

In the opinion of the Russian delegation, these agreements do not change the Security Council's leading role, preserve the basic principles of the dual key and proportionality of response, down to a possibility of the U.N. PROFOR [UN Protection Force] to stop aviation in mid-air if its use can endanger U.N. personnel or humanitarian organisations.

The Russian delegation believes that the U.N.-NATO agreements confirm that it is the U.N. PROFOR that determines, as before, when the sides locked in the conflict violate the agreements, which will necessitate an appropriate response.

It was especially stressed that the U.N.-NATO agreements equally apply to all the sides in the conflict. At the same time, the Russian side paid attention to several new moments concerning military-tactical details.

In the delegation's opinion, provisions on the choice of several targets for air strikes, if only general warnings are given to a violating side, contain a risk of granting such independence to pilots that a situation may go out of the U.N. command's control and inflict serious damage on it.

It was pointed out that any use of aviation in the densely-populated country will entail casualties among civilians.

Diplomats note that the Russian understanding of the reached agreements is also based on the premise that the U.N. force should not back any side in the conflict under any circumstances and that the practice of using aviation on requests from the U.N. force should fully meet this principle.

More on Russia's UN Bosnia Request

LD0311092094 Moscow ITAR-TASS in English 0758 GMT 3 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations Organisation November 3 TASS—Russia again raised at the U.N. Security Council the question of the need for stopping major military provocations, staged by Bosnian Moslems against Serbs from the territory of "security zones", specifically from Bihac and Sarajevo, Sergey Lavrov, permanent representative of the Russian Federation at the U.N., told ITAR-TASS.

"We raised the question at the Security Council on Wednesday about the need for paying greater attention to the developments in Bosnia and Herzegovina. They worry us a great deal. Armed units of the Bosnian Government again started offensive operations, the way it happened before on more than one occasion. This time, however, it is large-scale operations, which were immediately followed by a series of bellicose statements of Bosnian Serbs. Naturally, this is heightening tension and reducing chances for a peaceful settlement. Reports appeared in the press about military preparations of Bosnian Croatians in support of the offensive operations of the Bosnian Government. If this trend is not reversed, an outbreak of the civil war will be inevitable, which will be catastrophic for the future of all the peoples inhabiting Bosnia and Herzegovina," Lavrov said.

He stressed that the recent offensive operations of Moslems in the area of Bihac had already forced tens of thousands of refugees to leave that area. This further aggravates the serious problem of refugees on the territory of Bosnia and Herzegovina. "Actions, taken by the government troops in the area of Bihac, became a challenge to the Security Council resolutions. In its Resolution 913 the Security Council urged to stop any provocative actions, irrespective of who resorted to them, both inside and outside 'security zones'. The same resolution said clearly that in case of such violations the U.N. force in Bosnia should take all possible measures for preventing them, and if it fails to do so, it should call the air force for stopping such provocations or offensive actions coming from 'security zones'," he said.

"This was not done in this particular case, and our attempts at the Security Council to raise this question were not a success and did not meet with support. We regard this stand as rather shortsighted and dangerous. Today we urged members of the Security Council to study the situation in that area most thoroughly," the Russian representative continued.

He pointed out that large-scale operations of the Army of the Bosnian Government had been noticed during the past several days not only in the area of Bihac, but also near Sarajevo. "The U.N. force was recently brought under fire by the troops of the Bosnian Government. However, the U.N. Force did not call the planes for supporting the personnel and stopping provocative actions."

The Russian delegation reminded the Security Council of Russia's suggestion early this year that they should urgently get down to settling the problem of "security zones", so that their status, which was not worked out completely, and their regime, which was not finally set by the Security Council, will not become a source of abuse on the part of the Bosnian Government. "Security

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zones" were created by the U.N. Security Council exclusively for protecting the civilian population, Lavrov stressed.

Lavrov said that the U.N. secretary-general had supported the Russian point of view in his report on the problem of "security zones", made on May 9, and had spoken in favour of specifying their status and regime. "Unfortunately, at that time the Security Council did not manage to examine the problem, and one of the reasons was that the proposal did not get the needed number of votes. Now we are deeply convinced that it is necessary to raise the problem once again. We told other members of the Council that Russia intended to bring up this extremely urgent problem at the Security Council," Lavrov said.

Asked To Treat Shelling Seriously

LD0211225594 Moscow ITAR-TASS World Service in Russian 2156 GMT 2 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Translated Excerpt] United Nations, 3 Nov—Russia has called on the Security Council to treat with the utmost seriousness the report by General Michael Rose, commander of the UN forces in Bosnia, that the artillery bombardnment of Sarajevo is not being conducted by the Serbs but exclusively by the Bosnian Muslims. This was stated in a conversation with the ITAR-TASS correspondent by Sergey Lavrov, the Russian Federation's permanent representative at the United Nations.

He noted that the press has again raised an anti-Serb hullabaloo in connection with the "strangulation" of Sarajevo allegedly being implemented by the Bosnian Serbs. [passage omitted]

"These are blatant deeds and it is precisely for this reason that the Russian delegation stated in the Security Council on Wednesday that it is necessary to treat all these reports with all due attention and with the utmost seriousness," S.Lavrov noted.

UN Said 'Giving In' on Bombing Strikes

LD0211173094 Moscow Radio Moscow World Service in English 1210 GMT 2 Nov 94

[FBIS Transcribed Text] A joint United Nations-NATO statement on bombing in Bosnia has been released at the UN headquarters in New York. Our observer Anatoliy Potapov has the details [announcer read]:

NATO aviation may now deliver air strikes in Bosnia not against one target as before, but several targets at a time. Moreover, NATO does not have to issue any advance warning to the conflicting sides violating UN resolutions, which was regarded as obligatory. Such a warning allowed to avoid to a certain extent victims among civilians.

NATO pressed hard for these changes and the UN Secretariat has given in. The new situation is fraught with most serious complications.

Until now the so-called double-key principle was instrumental in solving questions of military operations. The blue helmets command submitted a request to NATO for a military action. The use of force was under the double control of the United Nations and NATO, but the last say was always with the United Nations.

Although the UN Secretariat insists that the double-key principle remains intact, setting several targets at a time makes an air strike practically inevitable. If, for some reason, the NATO command fails to spot the first target, it may give orders to bomb a second one without any coordination with the blue helmets headquarters in Bosnia and this may call in question the double-key principle.

The principle of objectivity in the conflict the UN adheres to in its peacekeeping activity has evidently been broken too. Despite the flagrant violation of the UN security zone by the Muslim side in Bosnia, which started large-scale military operations, the U.S. State Department rules out the possibility of NATO's retaliatory action against the Muslims.

NATO's demands for permission to bomb several targets at a time have to do only with the strikes against the Bosnian Serbs—but why? Why should NATO submit its proposals to the United Nations and conduct negotiations? On who's behalf does NATO do so, if it's only supposed to act on UN requests, if there are any.

NATO plans to have a final say in operations in Bosnia, which changes the entire meaning of the UN peacekeeping activity. It should be emphasized here too that Russia has been sending its military contingent to act as part of the blue helmets force not under NATO auspices.

Undoubtedly, Moscow will closely follow further developments to see whether the United Nations is backing out of its mandate in Bosnia in favor of NATO's unilateral actions.

Albright's Stance on Russian Peacekeeping Hit

MM0311091494 Moscow KRASNAYA ZVEZDA in Russian 2 Nov 94 p 3

[Article by Mikhail Pogorelyy: "Peacekeeping: View From Washington"]

[FBIS Translated Text] The United States is respected precisely because, rather than just being involved in its own affairs, it also does not let slip any opportunity to establish order throughout the world. That, at least, is what Madeleine Albright, Washington's representative in the United Nations, stated when addressing students and staff at the U.S. Naval War College last week.

She made no secret of the source of power and influence of American foreign policy. Recalling Theodore

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Roosevelt's idea that "diplomacy is utterly useless where there is no force behind it," Madeleine Albright stressed: It is specifically American military power and confidence in the possibility of its practical use that is today the most effective factor in contemporary world order.

Having noted the growth in the scale of peacekeeping operations in recent times conducted by the United Nations or groups of states with the blessing of the United Nations, Albright expressed a fairly tough stance with respect to Russian peacekeeping operations in the near abroad. America does not recognize today and will not recognize in the future so-called spheres of Russia's interests outside its own state borders, the high-ranking U.S. Administration official stated firmly. We will not object to Moscow's peacekeeping operations, she continued, but they must be in strict accordance with mandates and under the supervision of international organizations.

It might have been possible not to disagree with this if it were not for Ms. Albright's explanation about the attitude of Washington itself toward the United Nations' authorization for American peacekeeping. Actions under the UN aegis or independent actions are not mutually exclusive. Furthermore, calling on the audience to be realistic, Madeleine Albright indicated that the UN Charter is not a "blueprint for universal peace." Yes, sometimes UN and U.S. interests may coincide, but sometimes they may vary. And Washington is reserving the right to act as it sees fit, without waiting for anyone's approval. This is the kind of diplomacy that comes out.

U.S. Submarine Warned To Leave Kola Peninsula

LD0311115094 Moscow INTERFAX in English 1059 GMT 3 Nov 94

[FBIS Transcribed Text] A U.S. Navy submarine was discovered five miles outside the Kolsky Bay in Russian territorial waters on November 5 [date as received], officials in the Northern Fleet press center told Interfax. Russian anti-submarine ships had the submarine under surveillance. Following several warnings, the submarine left the Russian waters.

Northern Fleet Commander Oleg Yerofeyev said in a statement Thursday that such incidents undermined the peace initiatives started by the two countries and added to military tension in the seas.

This is said to be the third incident of this kind in two years.

Zhirinovskiy's U.S. Visit Previewed

MM0311110794 Moscow IZVESTIYA in Russian 3 Nov 94 p 3

[Report by Vladimir Nadein: "If Zhirinovskiy Does Not Close Down America, America Will Hardly Notice Him"]

[FBIS Translated Text] Washington—Vladimir Zhirinovskiy has received a U.S. entry visa after U.S. Secretary of State Warren Christopher's personal intervention. No lower-ranking Department of State leader dared authorize or refuse the visit by the well-known leader of the little known Liberal-Democratic Party of Russia [LDPR].

Although V.V. Zhirinovskiy's fame in America is definitely negative, it is quite stable and widespread and inferior only to President Yeltsin's popularity. Everyone here considers Zhirinovskiy to be a demagogue and an anti-Semite who adeptly plays on a crowd's lowest instincts and on Russian citizens' great-power delusions and vestiges of imperial thinking.

The arguments put forward by a number of Boris Yeltsin's political rivals, primarily the Communists who have already visited here, that Zhirinovskiy's opposition to the incumbent Russian authorities is theatrical and designed for show and that they effectively support one another have not met with the slightest response from a U.S. audience.

The official invitation to the LDPR leader came from a private organization in San Francisco—the Foreign Policy Council.

Zhirinovskiy is scheduled to arrive in the United States 4 November and all the time before that date will be filled with vigorous protests from countless influential Jewish organizations here who are making every effort to cancel the visit. Similar protests were voiced recently in connection with the permission for the leader of the IRA, accused of terrorism, to visit the United States. However, the authorities did not give in to pressure then.

Some influential members of radical Jewish organizations are threatening Zhirinovskiy's sponsors and him personally with the most serious consequences. Reliable sources report that the FBI, in connection with the Russian Embassy's insistent requests, will give Zhirinovskiy additional guards.

However, the Russian Embassy in Washington itself denies any involvement in organizing this visit.

The history of relations between official Washington and Vladimir Zhirinovskiy does not as yet contain a single resplendent line. Hitherto he has invariably been refused an opportunity to visit the United States. The LDPR leader was the only leader of a Russian political party not to be invited to an official lunch at the U.S. ambassador's Spaso House during President Bill Clinton's visit to Moscow.

Another well-known politician absent during this lunch was Mikhail Gorbachev. The former USSR president refused the honor of clinking glasses among a chic crowd on the pretext that his wife was not invited to the reception.

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The program for Vladimir Zhirinovskiy's tour of the United States is being kept secret, but the Congressional Press Service is not confirming the possibility of the leader of the number two faction in the Russian Duma meeting with any U.S. legislators.

The guest from Moscow was somewhat unfortunate in his choice of time for his first visit to the United States. He is arriving on the eve of the midterm elections when political battles for seats in the Senate and the House of Representatives and for state governorships are becoming particularly acute.

In terms of importance, the midterm elections are only inferior to the presidential elections. In view of the likely result that the majority in the Senate and the House of Representatives will quite probably pass into Republican hands for the first time in 15 years, all America's attention will be riveted on events in electoral districts. Vladimir Zhirinovskiy will have to make full use of his renowned inventiveness in order to attract the public's attention here.

U.S. Governor, Company Chiefs To Inspect Oil Spill

LD0211133294 Moscow ITAR-TASS in English 1247 GMT 2 Nov 94

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Transcribed Text] Usinsk November 2 TASS—Alaska governor Walter Hickel and heads of five American companies arrived in the Russian northern republic of Komi on Wednesday [2 November] to inspect a major oil spill which has recently occurred there and decide on possible assistance.

Head of the Komi Republic Yuriy Spiridonov told TASS that the republic can fight the spill itself, but is ready to consider proposals on delivering new progressive technologies and equipment to the spill area.

The equipment, according to Spiridomov, should boost the efficiency of clean-up work and ensure safe operation of oil pipelines.

On Wednesday the Alaska governor will visit the spill area and on Thursday he will travel to the major Pechora river. Reports said that the spilled oil had already reached the river and is moving towards the Barents Sea.

U.S. Company Involvement in Oil Spill Denied

LD0211151594 Moscow ITAR-TASS in English 1454 GMT 2 Nov 94

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Transcribed Text] Usinsk November 2 TASS—The U.S. oil company "Conoco" has decisively refuted today some reports appearing in the Russian and foreign press, alleging that it is the initiator of and an active participant in the racket around the leakage of oil from the pipeline in the Usinsk area.

"Conoco" is taking part in extracting oil in the Ardalinsk oil-field in the Nenets autonomous region and transports the oil-containing fluid by the same main pipeline to main oil refining facilities near Usinsk.

An official statement from John Horning, president of "Conoco", addressed to Head of the Komi Republic Yuriy Spiridonov and officials of the holding company "Komi Tek" and joint-stock company "Kominepht", was received today.

The statement emphasised that "Conoco" neither informed the media of the accident nor gave them any film of this incident nor stated its views regarding the scale of the accident. According to Horning, "Conoco" is working in a remote oil-field and does not have at its disposal reports about the real state of affairs on the site of the accident, and the same information was furnished to journalists and the U.S. Government.

Simultaneously, the head of "Conoco" assured that the company never tried to undermine reputation of the join-stock company "Kominepht".

Cuban Embassy Denies Reports on Oil Deliveries

LD0211181494 Moscow INTERFAX in English 1647 GMT 2 Nov 94

[FBIS Transcribed Text] Officials of the Cuban Embassy in Moscow said recent information in the media on stopping the delivery of Russian oil to Cuba in exchange for Cuban sugar from November 1 were unfounded.

The Cuban Embassy said Moscow had not officially notified it on cancelling the protocol on bilateral trade turnover.

The Petroleum Information Agency learned this from Adalberto Dumenigo Cabrera (the trade representative of Cuba in Moscow) and Teresa Paz Iglesias (the deputy trade counsellor of the Cuban Embassy to Russia).

The representatives of the Cuban Embassy said the first part of the oil delivery under the protocol on bilateral trade turnover concluded in December 1993 had been carried out. Talks on carrying out the second part of the oil delivery are now underway.

The Cuban officials said Cuba expected to receive about 2.5 million tonnes of oil in exchange for 1 million tonnes of sugar this year. Settling is carried out according to the world prices. Russia began delivering oil to Cuba this May instead of January 1994 when Cuba already picked up the sugar harvest. The parties decided that at the first stage of the implementation of the contract Moscow will deliver to Cuba about 1.5 million tonnes of oil in exchange for 500,000 tonnes of sugar. Russia delivered oil to Cuba in May, June and July. Cuba delivered sugar during May-September.

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After the first part of the contract was completed Cuba proposed that the rest of oil due to be transported to Cuba under the contract be delivered in the fourth quarter in 1994 and that Havana deliver sugar in exchange for oil in December-January when Cuba began to produce sugar.

Commenting on information that Cuba has been receiving Russian oil in credit, the Cuban officials said that according to the internationally accepted standards payment for oil was carried out within 30-60 days from the moment of the delivery. Payment for sugar must be carried out immediately. If delivery of sugar is delayed the responsible party has to pay a penalty.

The Cuban officials stressed that Havana was interested in continuing the contract and voiced hope that Moscow was interested in this as well.

Cuba's Failure Suspends Deliveries

LD0211202694 Moscow ITAR-TASS World Service in Russian 1540 GMT 31 Oct 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[FBIS Translated Text] Moscow, 31 Oct (ITAR-TASS)—Russia has suspended the oil deliveries to Cuba for which Havana was paying in raw sugar. The reason is the Cuban side's failure to provide the necessary quantity of sugar to meet its commitments. This was announced today in an interview with BUSINESS-TASS by Oleg Davydov, minister of Foreign Economic Relations of the Russian Federation.

According to his announcement, the Russian side was to deliver to Cuba 2.5 million [metric] tonnes of oil in 1994 and receive about one million tonnes of raw sugar. Of these quantities, 1.5 million tonnes of Russian oil and about 500,000 tonnes of Cuban raw sugar have been delivered.

According to our information, Cuba does not at present possess the necessary quantities of raw sugar to meet its obligations to the Russian side, the minister noted. The new harvest will only begin in January 1995. We therefore deemed it possible to sell the remaining one million tonnes of oil on the free market and thus top up the country's budget by about $120 million. Continuing deliveries of Russian oil while Cuba has no raw sugar would have meant practically granting that country an interest-free loan for six or seven months but Russia cannot agree to that in the present economic conditions, Oleg Davydov said.

If Russia needs to purchase raw sugar after processing its own crop of sugar beet, we are ready to return to talks with Cuba on this question in 1995, the minister noted. However, in Oleg Davydov's opinion, the future implementation of such "sugar-oil" deals is inexpedient because, as practice has shown, it does not lead to price restraint on the internal market.

Kozyrev Meets Syrian President, Discusses Peace

LD0211173694 Moscow ITAR-TASS in English 1638 GMT 2 Nov 94

[By unidentified ITAR-TASS special correspondent]

[FBIS Transcribed Text] Damascus November 2 TASS—Visiting Russian Foreign Minister Andrey Kozyrev delivered on Wednesday [2 November] Russian President Boris Yeltsin's message to Syrian President Hafiz al-Asad. The message deals with the development of a peace process in the Middle East region and Russia's participation in it.

At their meeting, Kozyrev and al-Asad discussed the progress of the Mid-East peace process, as well as prospects for bilateral Russian-Syrian relations.

The Russian minister arrived in the Syrian capital from Casablanca, Morocco, where he headed a Russian delegation to an international conference on the economic development of Middle East and North African countries.

Delivers Yeltsin Message

LD0211222894 Moscow ITAR-TASS in English 2143 GMT 2 Nov 94

[By ITAR-TASS special correspondent]

[FBIS Transcribed Text] Damascus November 3 TASS—A comprehensive peace process in the Middle East cannot be balanced and effective without the active participation of Russia, Russian Foreign Minister Andrey Kozyrev told reporters here on Wednesday [2 November].

Kozyrev said he had delivered Russian leader Boris Yeltsin's message to Syrian President Hafiz al-Asad. According to the minister, the Russian and Syrian presidents are determined to enhance both bilateral relations and cooperation in peace efforts in the Middle East.

Summing up the results of his talks with al-Asad and Syrian Foreign Minister Faruq al-Shar', Kozyrev noted that Syria was committed to further development of the Mid-East peace process and "was seeking to achieve tangible results".

The minister went on to say the peace process could not be successful without improvement of Syrian-Israeli relations and Syria's active participation. "Similarly, this process will not be balanced and effective enough without the active participation of Russia", he stressed.

Russia attaches great importance to stepping up cooperation with Syria, Kozyrev said. "Traditionally friendly relations between the Russian and Syrian peoples will be given an additional impetus", he added.

The Syrian foreign minister praised Russia and the United States for co-sponsoring the ongoing peace process. "We applaud Russia's efforts towards stepping up

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the peace process and achieving a just and comprehensive peace in the region", he said.

According to al-Shar', the two sides discussed various aspects of the progress in peace efforts made by the moment. The Syrian diplomat expects the Middle East settlement to advance considerably in the near future. He noted that the Russian foreign minister, the U.S. secretary of state and representatives of the European Union were working in close contact in order to give a new impetus to the peace process.

Speaking about Russian-Syrian bilateral relations, al-Shar' described them as "very extensive". "We hope these relations will be expanded in the interests of both countries and the peace process", he emphasised.

The Damascus dialogue on the Middle East settlement was held as continuation of talks Kozyrev had in casablanca earlier this week. On a commission from President Yeltsin, he headed a Russian delegation to an international conference on economic development in the Middle East and northern Africa, which was held in Morocco's capital.

Urges 'Softening' Stance on Peace

MM0311113794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Nov 94 p 7

[Report by Dmitriy Kulik: "They Waited Patiently for Kozyrev. Will They Wait Patiently for Peace?"]

[FBIS Translated Text] The Russian foreign minister's arrival in Syria, postponed for almost two weeks and somewhat belated, has nevertheless happened. Before the talks started Kozyrev found time to answer a question about the objectives of the visit. He said that dialogue would develop in two areas. The first is Russian-Syrian relations, which indisputably have a long history. And the second area is naturally bound to be the settlement of the Arab-Israeli conflict, which it is impossible to achieve in practice without Syria.

During talks at the Syrian Foreign Ministry questions of political, economic, and cultural cooperation were also discussed. Last year, for example, there was a surge in trade relations with Syria, a special government-level Russian-Syrian commission was created, and military cooperation is also gaining momentum.

As anticipated, the second aspect of the talks was the Arab-Israeli conflict, or rather relations between Syria and Israel. Kozyrev briefed his Syrian counterpart on the position of other parties to the talks, and Faruq al-Shar' stated that Damascus advocates the fulfillment of UN resolutions demanding the withdrawal of Israeli troops from the occupied territories and confirmed the "land for peace" formula for talks. Nobody was expecting Kozyrev to bring peace to the region with him, of course. This is much too difficult a task. But the positions of all the parties are now definitively clear. Some observers believe that it will be Tel Aviv, not Damascus, who will be the first to make serious concessions in view of the domestic political situation and outside pressure. Although the Russian minister stressed that both sides must move toward mutual rapprochement. This can be seen as a Moscow appeal to Damascus to soften its unshakable stance. As a high-ranking Russian diplomat from the delegation reported, during the talks our minister intended to show the Syrians not only the political but also the economic benefit of the speediest solution of the conflict with Israel.

Diplomat on Future Visit

LD0211174994 Moscow INTERFAX in English 1604 GMT 2 Nov 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Purshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Russia believes that its task is to contribute to rapprochement between Syria and Israel, a high-ranking diplomat from Andrey Kozyrev's entourage told Interfax's correspondent, who is accompanying Russia's foreign minister on his Mideast tour, in Damascus.

As Interfax already reported, Tuesday [1 November] evening Kozyrev arrived in Damascus, where on Wednesday he will engage in talks with President Hafiz al-Asad, to whom he is expected to hand a personal message from President Boris Yeltsin. "This time the head of Russian diplomacy is on a working visit in Damascus. However we hope that in the near future he will pay another visit—an official one—to Syria," the diplomat said.

According to him, "the peace process should be stimulated from both sides—by Damascus and by Tel Aviv." "Moscow, which has accumulated a large potential of trust with both sides, could act as a guarantor of the agreement, which, we hope, will be signed between Israel and Syria," he noted.

In comments on bilateral relations between Russia and Syria, the diplomat said that they are much more advanced than relations between Damascus and Washington.

Russia, the diplomat pointed out, is interested in continuing military-technical cooperation on new terms, different from those which existed in the times of the former USSR. "It's unwise to fill the Middle East with arms. It's necessary to reasonably—through the U.N.—limit arms supplies to that area," he said. "However planned arms deliveries designed to reequip the Syrian army are quite possible."

When asked about when and how Syria will pay its debt to Moscow, which, according to Russian experts, reached about ten billion dollars, the diplomat said:

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"This problem exists; we discussed it, and our intention is to resolve it in the general context of bilateral relations."

The diplomat also said that Kozyrev is planning to return to Moscow Wednesday evening.

Kozyrev Returns to Moscow

LD0211204194 Moscow ITAR-TASS in English 2023 GMT 2 Nov 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Transcribed Text] Moscow November 2 TASS—Russian Foreign Minister Andrey Kozyrev returned on Wednesday [2 November] night from his tour of the Middle East region.

On a commission from Russian President Boris Yeltsin, he headed a Russian delegation to an international conference on economic development in the Middle East and North Africa, which was held in Casablanca under the auspices of the Russian and U.S. presidents.

After the conference, Kozyrev paid a working visit to Syria to meet for talks with President Hafiz al-Asad and other Syrian senior officials. The talks in Damascus focused on ways of making further progress in the Middle East peace process, as well as on prospects for stepping up relations between Russia and Syria.

Admiral May Discuss Arms Sales With PRC

OW0211235194 Moscow Radio Moscow in Mandarin 1300 GMT 2 Nov 94

[From the "News" program]

[FBIS Translated Text] While holding talks with Chinese leaders during his ongoing visit in Beijing, Admiral Gromov, commander-in-chief of the Russian Federation Navy, may discuss the issue of Russia supplying military technology to China.

A Russian Federation Navy Press Center report revealed: China previously indicated its willingness to purchase Russian heavy-duty aircraft carriers in accordance with its naval modernization programs.

Commenting on Admiral Gromov's visit, NEZAVISIMAYA GAZETA pointed out: The deal was unsuccessful at that time because of U.S. pressure. Now, however, if China is willing to pay, there will not be any obstacle to signing mutually-beneficial treaties.

Yeltsin, Spain's Solana Begin Talks in Kremlin

LD0311083094 Moscow ITAR-TASS in English 0812 GMT 3 Nov 94

[By ITAR-TASS correspondent Lyudmila Alexandrova]

[FBIS Transcribed Text] Moscow November 3 TASS—Further development of Russian-Spanish relations is in the focus of attention of the talks between Russian President Boris Yeltsin and Spanish Foreign Minister Javier Solana which began in the Kremlin on Thursday. The Spanish foreign minister is staying on an official visit in Russia.

Opening the talks, Boris Yeltsin said that he considers today's meeting to be the continuation of a fruitful summit dialogue between Russia and Spain which began during his visit to Madrid in April 1994.

Russians Hail Cancellation of Polish Trip

Cancellation Is Defense of 'Dignity'

MM0311101894 Moscow KRASNAYA ZVEZDA in Russian 3 Nov 94 p 3

[Article by KRASNAYA ZVEZDA commentator Aleksandr Golts: "How Much Is Dignity Worth? Viktor Chernomyrdin Postpones His Visit to Poland"]

[FBIS Translated Text] So the Russian premier has decided not to go on his official visit to Poland. It is the first time I can remember such a thing happening. But no, official visits have been postponed before. Because it had proved impossible to find an agreed position on some issue or other, because of domestic political events—in short, for reasons, as it is usually put, of "statewide significance." But Moscow has never entered into conflict with another state (and we are talking about a serious diplomatic conflict) because of an insult suffered by ordinary, undistinguished citizens.

Much in Russia today is falling apart at the seams, many of us are asking ourselves a difficult question: "What has actually changed for the ordinary citizen after 10 years of reforms?" And maybe the postponement of an exceptionally important visit because Polish policemen beat up and insulted a few Russians and the Polish Foreign Minister was unwilling to provide exhaustive apologies and explanations—maybe this is an important indication of a change in the Russian authorities' attitude toward their country's citizens. Maybe people in the Kremlin offices are beginning, albeit with difficulty, to recognize that attitudes toward a state are defined not by the lavishness with which its leaders are received or the grandiloquence of official statements of "friendship," but by how its inhabitants are treated.

And here the words about "Russian swine" that apparently escaped the lips of a Polish policeman told us far more than the speeches that were to have been pronounced at dinners in the Russian premier's honor. Whatever the circumstances, no such thing would have happened in Warsaw with Americans or Britons....

What happened also makes us look slightly differently at what is being done today in the sphere of "big" European politics. To the accompaniment of statements that Russia's interests will not be flouted in any circumstances, the West has apparently set a course of integrating the states of Eastern Europe into the European Union [EU] and NATO. Washington makes no secret of the fact that

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the widely publicized Partnership for Peace program can only be a bridge into the North Atlantic bloc for a few chosen ones. While all the indications are that they prefer to keep Russia in the anteroom.

A meeting has just ended in Luxembourg between EU foreign ministers and their colleagues from Austria, Finland, Sweden, and Norway, which are on the point of joining the organization, as well as representatives from Poland, Hungary, Romania, Bulgaria, the Czech Republic, and Slovakia. As for these last, the question of the prospects for their joining the EU was openly discussed. In principle, there is nothing wrong with that. If only the participants had not been given to understand that the borders of the EU are to be established along the borders of the former USSR (an exception may be made only for the three Baltic republics). At official level it is stated that the Russian economy is not ready for joining the EU (it is no accident that work on implementing the agreement signed in Corfu in the summer has been delayed).

So it could transpire that Russia and the other CIS states are assigned the role of some kind of continental reservation in the plans for the "new Europe." The "new Europeans'" awareness of this fact is what leads, at the everyday level, to incidents like the one that occurred in Warsaw. And I totally disagree with those of my colleagues who have hastened to reproach Viktor Chernomyrdin. They say that because of a few Russians who suffered a beating, Moscow has postponed the signing of a protocol of exceptional importance to it, concerning the laying of the Yamal to Western Europe gas pipeline through Polish territory. We have thereby prolonged the dangerous dependence of our gas deliveries on the situation in Ukraine.

I am not going to argue with that. But I do not think that protecting the national dignity will result in a lost advantage. If Moscow had simply swallowed the insult (and what was insulting was the Polish authorities' reaction to the incident), I think our position at the talks would have been bound to suffer. Because Russia would thereby have indicated that it would tolerate anything at all as long as a contract was signed to its advantage. And it is good that this happened. The premier has reminded the country of its national pride. If we continue to value our dignity, sooner or later it will yield economic fruits too.

Krylov Says Apologies Required

LD0211183094 Moscow INTERFAX in English 1604 GMT 2 Nov 94

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] To speak about new dates for the Russian Prime Minister Viktor Chernomyrdin's visit to Poland will hardly be possible before Warsaw meets Moscow's "perfectly legitimate wishes," Russia's Deputy Foreign Minister Sergey Krylov told Interfax on Wednesday [2 November].

It's common knowledge that on Tuesday Chernomyrdin decided to cancel his official visit to Poland planned for Thursday and Friday because the Russian side failed to receive the Polish authorities' evaluation of the recent incident in Warsaw, where Russian citizens had been beaten up and illegally arrested.

As Krylov said, "the Polish side must officially present apologies for what happened, carry out an inquiry, punish the culprits and resolve the issue of a compensation for the moral, material and physical damage done to the Russian citizens."

"When these conditions are met, it will be possible to say that the atmosphere cleared, and begin to think when the prime minister's visit can take place," he said.

He conferred with Polish representatives for the last time on Tuesday at 21:30, Krylov said. "No new requests to meet with me or with our officials, who deal with Polish affairs, have been made," the diplomat said.

Nevertheless Krylov pointed out: Moscow "still proceeds from the assumption that such a visit would serve the interests of furthering Russian-Polish ties." "A large package of agreements beneficial to both sides has been prepared for it. Should we drop everything halfway? No, this will not happen, of course," he stressed.

The diplomat qualified the allegations of some Russian periodicals that the Foreign Ministry was not aware of Chernomyrdin's plans as "absolutely untenable."

"Our ministry took an active part in preparations for the visit from the very beginning. Not a single document, not a single agreement drafted for the visit bypassed the Foreign Ministry," he said.

According to him, the Foreign Ministry informed the prime minister of the incident at Warsaw's railway station at once, and suggested how Russia should react to it. "Russia's Foreign Ministry has repeatedly got in touch with the Polish side and warned it that the atmosphere created in Warsaw in connection with the incident, and the lack of any reaction from the Polish authorities do not create a favorable background for the prime minister's visit," the diplomat said.

He dismissed the assertions of the Polish side that the Russian consul in Warsaw had declined to come to the place of the incident, saying that it was his day off (Interfax's note: the incident took place on Sunday, October 23).

According to the information available to him, Krylov said, neither Russia's consulate nor embassy in Warsaw were informed that Russian nationals had been detained.

"On the contrary, Polish authorities prevented our citizens from getting in touch with their consulate and embassy. It was done only when those people were brought to the court. As far as I can remember from reports, our consul arrived at the court 35 minutes after he had received the signal," the diplomat said.

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Train Incident Apology Urged

MM0311101794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Nov 94 p 1

[Interview with Valentin Sergeyev, leader of Russian Government Press Service. by Aleksandr Gamov; place and date not given: "Diplomatic Wars—A Black Cat Has Run Across the Path Between Russia and Poland"]

[FBIS Translated Text] Citizens of our country cannot be beaten up with impunity in foreign stations. Premier Chernomyrdin has confirmed this by canceling his visit to Poland. Bravo, Viktor Stepanovich!

Valentin [Mikhaylovich] Sergeyev, leader of the Russian Government Press Service, comments on the decision of his boss.

[Gamov] Valentin Mikhaylovich, it is, nonetheless, not quite clear from official statements by the Russian Government Press Service and from commentaries in our mass media and the Polish mass media just why Viktor Chernomyrdin unexpectedly canceled [otmenil] his visit to Poland.

[Sergeyev] The visit's postponement [perenos srokov vizita] was not as unexpected as it has been portrayed in news agency reports. For almost two weeks the Russian side had been waiting for an appropriate reaction by the Polish authorities to the incident that occurred at a Warsaw train station. The visit's cancelation is a logical consequence of the fact that in its replies the Polish foreign policy department all the time avoids making a clear-cut assessment of what happened.

It seems to me that this is also the opinion of the majority of my compatriots; I believe that it was necessary, above all, to apologize for what happened and to say firmly what measures had been taken against the services which carried out arbitrary actions and beat up Russian citizens in violation of all legal norms. At the same time it is not right, to say the least, to say in this instance that the "Russian mafia" has come to Poland and is carrying out vendettas. Yes, they could have been pedlars, whom we today call "shuttle traders," but whom we used to deferentially call merchants.... They are our compatriots!

In my view, Viktor Chernomyrdin's decision to defer his visit to Poland until he receives an appropriate and clear-cut assessment of what happened is quite right, and I would count it among the premier's most decisive actions. As far as we know, the Russian public welcomes this step of Viktor Stepanovich's.

[Gamov] How would you characterize the Polish authorities' recent reaction to the cancelation of Chernomyrdin's visit?

[Sergeyev] We reckoned that the Polish side would, at least, take account of the Russian position. But I have before me the recent letter from A. Olechowski, minister of foreign affairs of the Republic of Poland. He writes that he is most concerned at the Russian side's reaction to what happened, but there then follows such a strange text: "This occurrence must be an incentive to us to take decisive measures, including to strengthen cooperation between Polish and Russian law-enforcement organs."

I believe that what happened should have been an incentive, above all, to apologize and to assess what happened. Mr. Olechowski writes that he perceived with the greatest perplexity the deferment [zaderzhka] of Chernomyrdin's visit to Poland **for this reason** (emphasized by the editorial office). I can only say that we also look with the "greatest perplexity" on the delay over an objective assessment of what happened on the part of Poland's foreign policy department.

[Gamov] It is being said that the cancelation of Chernomyrdin's visit to Poland could wreck the accords between Gazprom and Poland's Europol Gaz—which would primarily hit at Russia's interests....

[Sergeyev] Economically, politically, and organizationally the Polish side is interested, above all, in seeing the transnational "Yamal-West Europe" gas pipeline cross its territory. It will get large revenues from this. And then—they totally wrongly link the premier's position and that of Gazprom. Yes, Chernomyrdin did come from this structure. But it is an autonomous organization today and reaches agreements with the Poles of its own volition.

[Gamov] When, nonetheless, will Chernomyrdin's visit to Poland take place?

[Sergeyev] Once again I would link this question with the position of the Polish side, which is no less interested in this visit than we are.

'Legitimate Demands' Ignored

MM0311114194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Nov 94 p 3

[Report by Sergey Postanogov: "Incidentally"]

[FBIS Translated Text] A senior Russian Federation Foreign Ministry official told this KOMSOMOLSKAYA PRAVDA correspondent yesterday that the Russian side had taken a whole series of measures aimed at settling the incident of the beating up of our fellow citizens in Poland within the framework of international law. The Russian Federation Embassy in Warsaw has sent a protest note to the Polish Foreign Ministry, an official Russian Federation Foreign Ministry representative has issued a public statement to Russian and foreign journalists, and the Polish ambassador to Moscow has been summoned to the Russian Federation Foreign Ministry, where he was also handed a protest note demanding that a public apology be made to those who suffered and calling for the culprits to be found and punished and for compensation to be paid for the moral and material damage they had done.

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But on this occasion too the Polish side has continued to ignore Russia's legitimate demands. Because Poland has failed to provide an appropriate response satisfactory to the Russian side about the guilty parties in the incident and has made no public apology over the violence against our fellow countrymen, Russian Federation Prime Minister Viktor Chernomyrdin has been forced to postpone his visit to the country. The actions of the Polish police cannot be assessed as anything other than a blatant provocation aimed at destabilizing Russo-Polish relations.

Chernomyrdin's Gesture Supported

MM0211170594 Moscow IZVESTIYA in Russian 3 Nov 94 pp 1, 3

[Article by Sergey Dardykin: "The Russian State Has Interceded for a Few of Its Citizens. At Last!"]

[FBIS Translated Excerpts] Has it really come to this? Our own Russian state is deliberately complicating relations with Poland, which, although it is no longer fraternal or neighboring, is still important to us, by interceding for the honor of a few of its particular, perfectly ordinary citizens.

With literally 24 hours to go, the Russian head of government is postponing his visit to Warsaw indefinitely, not because he is personally indisposed or overloaded with urgent state affairs (such a thing has happened in Russian practice, albeit not necessarily with Chernomyrdin and not necessarily in connection with a visit to Poland), nor even out of lofty political considerations, but merely because his compatriots have suffered an insult which the self-respecting premier of a self-respecting state has no right to endure. [passage omitted]

An entire arsenal of countermeasures exists in the practice of interstate intercourse, which a state concerned for its own prestige can use to demonstrate its "displeasure." Now that the form of the demarche has been chosen, it would be possible to argue for a long time over whether we have gone too far. Suggestions are already being made in the Russian press that citizens are one thing, but strategic interests are more important. The amounts of lost profits from the agreements not signed in Warsaw are already being calculated. Russian-Polish projects and pipelines are already being written off as not having happened and not having been constructed owing to our overfussiness. But who has said that they will not happen and will not be constructed? Will Poland no longer need our oil and gas?

Of course, less dramatic steps were also possible, aimed more at not missing out on billions in currency. But can the doubters imagine the Russian prime minister inspecting the honor guard while knowing for sure that people in just such a Polish uniform, only a police one, had raised a nightstick threateningly against a citizen of Russia: "You are a Russian swine."

I understand Viktor Stepanovich, who did not wish to associate with people in Polish uniform today. But tomorrow let us see.

Source: Gas Issue Delayed Visit

LD0211181194 Moscow INTERFAX in English 1647 GMT 2 Nov 94

[FBIS Transcribed Text] One of the reasons for the postponement of Russian Prime Minister Viktor Chernomyrdin's visit to Poland, originally scheduled to begin on November 3, may be the fact that work on a document to regulate the construction and use of the Polish section of a gas pipeline to run from Russia's Yamal Peninsula to Western Europe is not completed yet, an informed source said.

A draft protocol on the distribution of expenditure for and profits from the pipeline, drawn up and finalized by the Russian gas monopoly Gazprom and the Polish company Europol Gaz, during Gazprom head Rem Vyakhirev's visit to Warsaw late last month, was afterwards amended by the Polish side, which effectively nullified all work done on it, the source, close to authorities running Russia's gas industry, told the Petroleum Information Agency.

Ownership of the Polish part of the pipeline has once again become an issue. The funding of the project, worth $2.4 billion, remains a moot point, nor have supplier or construction firms yet been found to carry it out, sources told Interfax.

Experts from Gazexport, Gazprom's foreign economic division, are currently in Poland to try to resolve the disputes, the sources said.

Polish Press on Chernomyrdin Visit Cancellation

MM0211160994 Moscow IZVESTIYA in Russian 3 Nov 94 p 3

[Report by Leonid Kornilov: "People Are Still Being Robbed at the Station in Warsaw. The Polish Press Believes That the Cancellation of Viktor Chernomyrdin's Visit Will Have Disastrous Consequences"]

[FBIS Translated Text] Warsaw—The Russian prime minister's decision to defer his visit to Poland is the chief topic in Polish newspapers. ZYCIE WARSZAWY calls the 23 October incidents involving Russians and other CIS passengers at Warsaw Station a pretext.

Warsaw maintains that the chief reason is Russia's displeasure at Poland's desire to join NATO. The cancellation of the Russian premier's visit confirms that "Russia makes the development of economic relations with us dependent on the political context," GAZETA WYBORCZA writes. Other newspapers hint that "the visit was badly prepared" and so has been postponed. It is noteworthy that Viktor Chernomyrdin hardened his stance after a talk with President Yeltsin.

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In such an interpretation of events fabrications are evidently meant to somehow divert attention from the true reason for the Russian Government's decision: to regard human rights as of paramount importance and to protect the Russian citizen.

The "station" theme is therefore being aired less confidently than the "NATO" one. Reference is made to a response from the Polish Foreign Ministry to the effect that an investigation is already being conducted and the guilty persons will be punished, but that this would take time. It is almost being maintained that the Russian passengers did not actually suffer at all.

Russian politicians are accused of "choosing an unfortunate reason to cancel their premier's visit, because the visit's cancellation could prove 'disastrous' in relations between the two peoples."

GAZETA WYBORCZA has begun its own investigation into the dramatic episode at the station. It follows from the article that the journalists are more inclined to believe the "Russian version," which is confirmed by Polish eyewitnesses, including railroad employees.

One railroad worker said: "Racketeers are constantly thieving at the Eastern Station. On the basis of depositions made, their informant on the border assesses which train and which cars are carrying the richest people and informs the criminals." This thread leads subsequently to the customs.

In the opinion of Warsaw cab drivers working at the Eastern Station there is an obvious shortage of policemen there, which is why they are afraid to have dealings with Russian gangsters.

The "Polish version" states that no consular employees were on the spot Sunday (this, it is said, was the reply given to the duty policeman). But the passengers maintain, on the contrary, that the police made no attempt to get in touch with the consulate. Nor did they inform the consulate the next day, when six passengers who had been taken off the train and beaten up had been handcuffed and thrown in jail.

Meanwhile the robberies are continuing. At 1730 hours Monday six powerful thugs in leather jackets and jeans were preparing to attack three cars at the same Eastern Station. They were speaking Russian. On seeing the GAZETA WYBORCZA journalists with railroad workers, they moved off. On 30 October the commandant of the capital's police issued an order: "Passengers on trains arriving in Warsaw daily from Moscow and Kiev are to be guarded effectively." But on Monday the journalists saw no reinforced guard in the siding.

Yuriy Kashlev, Russia's ambassador to Warsaw, points out in an interview in GAZETA WYBORCZA that the Polish police took the wrong stand from the outset: "Your own people are robbing your own people, and we do not interfere."

Polish Foreign Minister Andrzej Olechowski has promised that a special police telephone will be set up in Warsaw for Russians, so that tourists attacked by bandits can summon the police. The telephone operators will speak Russian.

No Apology Until Investigation Ends

LD0211174794 Moscow ITAR-TASS in English 1704 GMT 2 Nov 94

[By ITAR-TASS correspondent Aleksandr Potyomkin]

[FBIS Transcribed Text] Warsaw November 2 TASS—"Poland cannot apologize to Russia for its police's actions against the Russian passengers until the investigation into the case is over", Polish Foreign Minister Andrzej Olechowski told reporters on Wednesday [2 November].

The reporters managed to intercept the minister after a special meeting called to discuss possible consequences of Russian Prime Minister Viktor Chernomyrdin's decision to postpone his proposed visit to Poland. Apart from officials of the agencies concerned, the meeting was attended by the Chief of Polish Secret Services, Gromoslaw Czempinski.

The Polish foreign minister said he could not understand why the Russian side was so reluctant to agree to this argument. He also told reporters the Polish Government "should think over its stand on this issue".

So far, an official response of Polish authorities to the Russian premier's decision has not been articulated. According to off-the-record sources, Poland's Government is due to discuss this issue on Wednesday night. It has already been put on the agenda of the meeting.

Western Role in Kholodov Death Alleged

MM0211103594 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 94 pp 1-2

[Article by Vladimir Klimov: "Explosive Device. The Mine That Killed the Journalist Contained Directed-Energy Fragments. They Were Aimed at the Main Intelligence Directorate"]

[FBIS Translated Text] The explosion in the MOSKOVSKIY KOMSOMOLETS editorial office which slew a young journalist was followed by another one—in the mass media. The attache case containing the information explosives was set in place by the chief editor of MOSKOVSKIY KOMSOMOLETS. His versions claiming that Kholodov was killed on the orders of the leaders of the Ministry of Defense and the Federal Counterintelligence Service—and in recent days he has been accusing the state's leaders too—crop up on the pages of newspapers and are regularly aired on radio and television.

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No one has essentially entered into polemics with Pavel Gusev [chief editor of MOSKOVSKIY KOMSOMOLETS], so as not to disturb, in accordance with Christian custom, the young man's soul which has departed this earth. But the time has now come to dot the "i's" and to say that advatage was taken of Dmitriy Kholodov first when he was alive, and now his death is being exploited.

What makes it possible to draw such a conclusion? Thanks to my long-standing connections, I am able to familiarize myself with certain confidential information from the Main Intelligence Directorate [GRU] (MOSKOVSKIY KOMSOMOLETS accuses it too of organizing the murder).

When the Soviet Union broke up, the foreign press and also, sometimes, our own, wrote that a colossus with feet of clay had collapsed and that its successor, Russia, would become a raw materials appendage of developed Western countries. Informed Western special services made a different assessment of Russia's role. They declared: Yes, we have won the Cold War, but we are not yet the victors. They warned: Do not be in a hurry to bury Russia, for it is very strong. Some serious work still has to be done to turn our wishes into reality.

Work how, in what direction? To corroborate what I am saying, I will cite extracts from various reports.

From an analytical report by an intelligence service to the leadership of one of the NATO countries:

"As is known, all the power structures of the former Union ceased to exist after the breakup of the USSR. The KGB's might was badly undermined. The only institution which had not lost its influence and was able to recover from the shock was the Army. The GRU, which for long years competed with the committee [KGB], is now the most active organization."

From a report by the Federal Department for Safeguarding the FRG Constitution:

"The GRU's activity has acquired special significance in matters of providing the Russian leadership with intelligence information. Despite the reduction in [Army] personnel and the considerably smaller financial potential, compared with the FIS [Foreign Intelligence Service], at the present stage military intelligence has expanded the range of the tasks which it tackles, including at the expense of those which used to be considered the prerogative of the First Main Directorate and the KGB. In addition to the traditional gathering of information of a military and a military-technical nature, the GRU carries out active 'political and economic' intelligence.... The GRU intends not only to maintain its intelligence potential at the former level but also to increase it." **These were from reports from the West. But here is one from the East, from Tokyo:**

"When discussing the 'Ames case,' it is pointed out that, against the background of the weakened FIS, the GRU is Russia's most actively working intelligence service, which has not reduced its personnel strength. The Japanese mass media carry data on the priority areas of the GRU's work, the size of its central apparatus and foreign apparatuses, and the nature of the cover posts. **Attention has been focused on increasing the role of the GRU in shaping Russian Federation policy."**

These are some assessments of the situation which has taken shape in Russia since the USSR's breakup. Our country remains strong and should not be written off as a second-rate country, above all because it still has a high-class defensive might, not inferior to that of the United States, and because some of the state structures which ensure Russia's economic and political rebirth have survived and not been destroyed. It turns out that the colossus had very strong feet, not feet of clay. What is to be done?

Here is one of the options for action submitted to the center:

"The administration of one Western country (for well-known reasons we do not name the country) and the leadership of the special services deem it extremely necessary to make an additional effort to neutralize Russian intelligence, primarily the GRU, which, in their opinion, poses the biggest threat to the West's security. At the same time, in addition to purely preventive and active counterintelligence measures, it is proposed to use interstate, political, diplomatic, and other channels of influence over the Russian leadership and public opinion in the Russian Federation.

"The NATO countries' special services have drawn up specific options for actively working upon the most influential State Duma and Federation Council deputies and representatives of the government apparatus and the mass media with a view to blocking the Russian special services to the maximum degree.

"A special role is allocated to measures to use agents of influence in the Russian press and the electronic mass media, as well as other possibilities of Western countries' special services so as to augment the number of published items in Russia which 'expose the unseemly activities of Russian intelligence' and discredit the GRU.

"Such operating methods are regarded by Western special services as most preferable, since all the measures undertaken earlier to disrupt the GRU proved unsuccessful."

So, the aims are clear, and the tasks have been defined. To work, comrades. This, it seems, is what one of the former leaders of the Soviet Union liked to say. I do not doubt that I will be accused of prejudice, but the fact remains that MOSKOVSKIY KOMSOMOLETS staffers were among the first to set to work. Even before the tragic event the "On the Alert" column, in which the first tub of dirt was thrown at the GRU, appeared in the pages of that newspaper.

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In order to show the worth of MOSKOVSKIY KOMSOMOLETS' "revelations," I will cite just a few facts from the newspaper's lies. It published, for example, a photograph of the building which allegedly houses the GRU. The military intelligence staffers sighed: Oh, if only we had such a building, how we would live! At present they are housed in a building which was built in far-off times as a hospital and is certainly not on Sadovoye Koltso, as ARGUMENTY I FAKTY subsequently notified its readers.

But if only the matter were confined to a photograph of a building.... What is the worth of this passage: The "legendary chief of the GRU" (MOSKOVSKIY KOMSOMOLETS writes), Army General Ivan Serov, who was on friendly terms with the traitor Penkovskiy, "shot himself in a yard on the Arbat" after he was exposed. This happened in 1963. I talked with Serov at the beginning of 1990. He died a natural death 1 July 1990.

There are also lies which are even hard to characterize. Thus, the wife and two sons of the traitor Polyakov, a former GRU general, are accused of espionage. I am very well acquainted with the Polyakov case, I wrote about it in ROSSIYSKAYA GAZETA, and I am prepared to state on oath that Polyakov's family was sacred to him. He took all measures to ensure that those close to him did not have even an inkling of his double life. Of course, nobody arrested his son, as MOSKOVSKIY KOMSOMOLETS hastened to report.

I do not intend to foam at the mouth in defense of the minister of defense or his deputy Matvey Burlakov. I confess that, of all Pavel Grachev's deputies, I have a profound and human liking for just one—General Boris Gromov.

But it is not a matter of personalities. The point is that the wave of "sensational" articles, which originally proceeded from MOSKOVSKIY KOMSOMOLETS, is aimed at undermining one of the structures left standing after the breakup of the USSR—the army structure. It is, of course, no coincidence at all that the issue for 19 October contained a "cut-in," in which there were to have been three portraits. Those of Grachev and Burlakov were printed, but this was written in the third "cut-in": "His portrait is a state secret. F. Ladygin, leader of the GRU." Beneath the portraits there was a large caption: "They might know the killers."

The GRU, as both the West and the East acknowledge, is now the chief mainstay not only of the Armed Forces but also of many Russian power structures. Kholodov's killing was an active excuse to try to shake military intelligence. Now the esteemed ARGUMENTY I FAKTY is puffing up the same theme as was started by MOSKOVSKIY KOMSOMOLETS. Its issue No. 43 carried two articles with very transparent headlines: "Who Killed D. Kholodov and Why?" and "Does the Trail Lead to the GRU?" Once again fabrications, supplemented by, to put it mildly, unverified facts.

I have written about the building on Sadovoye Koltso. But here, so it turns out, V.V., a GRU staffer who wished to remain unknown, tells ARGUMENTY I FAKTY that special school cadets were "trained" in surveillance on the street using Kholodov as a target. Even I, a journalist, know absolutely for certain that there are no cadets in the GRU and that officers study at the Military Diplomatic Academy, the only educational establishment that the GRU possesses. And they are called students.

A passage from another article: "...The GRU is a special structure in our state. The winds of change have not touched it in the past 150 years—GRU cadres hardly suffered either in the Great October Revolution or in Stalin's repressions...." Not even the most experienced military intelligence officer knows from where the figure of 150 years was produced. As for repressions.... Four GRU chiefs were executed during the years of the cult. Yagoda, Yezhov, Beria, and Company either sent off to the GULAG or were executed by firing squad 100 percent of the military intelligence officers who returned to the motherland after fulfilling a mission.

But it is necessary to devise some kind of "expose," so ARGUMENTY I FAKTY writes: "The recent mysterious death of one of the GRU's leaders, General Gusev, has remained just that, a mystery." There is nothing mysterious in it: It was regrettably a commonplace car crash.

Passions are still seething in the newspapers and perturbing gullible readers. And not only in Russia. It is therefore hard not to agree with the GRU's analysis on this matter. It points out in particular that the U.S. mass media at the prompting of the special services regularly fuel the situation as regards the GRU's activity in the United States and other states. The idea of the GRU's growing aggressiveness in military and military-technical information gathering and that it is stepping up its efforts to extract the best-guarded secrets is widely employed in order to condition the U.S. population appropriately and is also being foisted on the Russian mass media.

We can read and see for ourselves that this idea is being successfully foisted on some people. U.S. writer J. Adams revealed the reason for these actions on the part of the U.S. special services in a recently published book "The New Spies." He writes that he who possesses the greater amount of secret information hold the greater sway in the complex tapestry of Russian political life today and the GRU has found itself able to gain access to that information.

Doesn't Mr. [Pavel] Gusev's recent statement saying that not only the military but also top state officials are to blame for the killing of Dmitriy Kholodov echo the U.S. author's conclusion? That is a blow is not only being struck against the Army. The blow was effectively struck at the supreme authority, the president.

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When an accident occurs that was caused not by natural forces but by human intervention you always wonder: Who stands to gain? It cannot be the Defense Ministry, the GRU, or the FCS. May my MOSKOVSKIY KOMSOMOLETS colleagues forgive my frankness, but people in those structures have long since gotten accustomed to Kholodov's articles and simply paid no attention to them. He was killed because when alive he was harmless to the state. His death has become a mine with which they have tried to undermine Russia from within.

The owner and chief editor of MOSKOVSKIY KOMSOMOLETS is certainly right about one thing: Dmitriy's killer will most likely not be found. Because this was handled in a highly professional manner. And because the detonator for the explosive device is a long way from Russia's borders.

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Political Issues

Yeltsin, Rybkin Discuss Government Reshuffle

LD0211161994 Moscow ITAR-TASS World Service in Russian 1532 GMT 2 Nov 94

[FBIS Translated Text] Moscow, 2 Nov (ITAR-TASS)—Russian President Boris Yeltsin and Duma Speaker Ivan Rybkin discussed new government appointments today, Rybkin's press secretary Dmitriy Biryukov told an ITAR-TASS correspondent.

Biryukov said the question was discussed in light of the recent vote of confidence in the State Duma. During the meeting Rybkin pointed to the need to reinforce the government with "fresh blood" in line with recommendations put forward by the Duma factions and "public opinion existing in Russia today," Biryukov said.

Some specific candidates for the posts of ministers—proposed by the Duma factions as well as by Prime Minister Viktor Chernomyrdin—were discussed. At least five candidates were discussed. The press secretary did not name the candidates. He only noted that in particular I. Rybkin discussed with the president the candidacies for the posts of minister of economics and minister of justice "and a number of Cabinet changes, including deputy prime ministers."

The State Duma speaker expects "highly professional people to be appointed to ministerial posts, people who will be welcomed by the Duma's left and right wings and factions alike."

Apart from this, the meeting between the Russian president and the Duma speaker was devoted to the development of the situation in the so-called hot spots. In particular, the situation in Chechnya was discussed in detail.

According to the Duma speaker's press secretary, the meeting was also devoted to the need for a correlation between the stands of the legislative and executive authorities concerning the further course of reforms and legislative back-up for them. In connection with this, an accord was reached at the meeting to hold a conference on this during the last ten days of November. Taking part in the conference will be the leaders of the Federation Council, the State Duma, representatives of presidential and government structures and those in charge of a number of Duma committees and factions.

Filatov Says Administration To Be Cut

LD0211202394

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1800 GMT on 2 November broadcasts a three minute report from the "Novosti" newscast with correspondent Aleksandr Shkirando asking Sergey Filatov, the chief of the president's staff, about a possible government reshuffle.

Filatov says that first of all, this will not be a reshuffle but staff cuts in the president's administration with the aim of better regulating the ways it interacts with the government, and—as it is written in the instruction—with the aim of increasing staff mobility. We know that there is a certain critical point after which the apparatus becomes structurally less mobile, so to speak. The instruction to this effect has been issued. Considering that the presidential administration's staff list is some 400 people short, this will not be a big cut, since it practically already exists. We just have to bring the staff list in line with the existing numbers.

Of course, some things will have to be re-examined. I think this will also be done to contradict the criticism voiced in the Duma and to review the existing practice. Because there are positions that often cross at some points, if not overlap completely, this can give rise to rather sensitive situations.

The way this is being done is very much like Boris Nikolayevich Yeltsin, who is always very careful about excessive staffing of the apparatus.

'Quite a Few' Government Members To Go

MM0211160494 Moscow IZVESTIYA in Russian 3 Nov 94 p 1

[Report by Vasiliy Kononenko: "Country Faces Dismissals of Government Officials To Blame for the Ruble Collapse"]

[FBIS Translated Text] The Security Council session held 2 November under B. Yeltsin's chairmanship was unusually workmanlike. The participants left the Kremlin after only one and a half hours. It emerged that it had approved, without much argument, the results of the three weeks' work by the state commission investigating the circumstances of the collapse of the ruble rate on 11 October, headed by Security Council Secretary O. Lobov.

According to Federation Council Chairman V. Shumeyko, the state commission's findings name specific government members who are to blame for the ruble collapse. And they will be relieved of their posts. "There are quite a few [dostatochno mnogo] of them," V. Shumeyko said, but he refused to name names.

The official press release indicates that the collapse of the ruble was an exceptional event representing a threat to Russia's national security. The serious adverse consequences of this event were the economic entities' loss of confidence in the future, the reduced attractiveness of long-term capital investments in production, the stepping up of inflationary expectations, and the price increases that were provoked. The Security Council noted that these consequences are long-term in nature and that direct damage was done to the course of reforms, the socioeconomic stabilization of society, and the population's living standard.

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The critical situation on the financial market, the press release says, arose against the background of the operation of a number of objective factors of a general economic nature. But it became possible first and foremost as a result of the lack of proper coordination of the economic activities of federal organs of executive power, uncoordinated, insufficiently prompt, and sometimes incompetent decisions, and inactivity and a lack of responsibility on the part of a number of officials and services who could have averted the crisis. Proper monitoring of currency transactions on the financial market was not ensured and measures were not adopted to prevent and cut short speculation. The Security Council adopted a decision making it binding on the government, ministries, and departments to take concrete measures in a very short space of time as regards regulating the ruble rate, introducing an effective mechanism, implementing exchange transactions, strengthening the normative and legal base of the financial market, including the currency market, and stepping up monitoring of compliance with currency legislation. Particular attention was drawn to eliminating the consequences of the collapse of the ruble rate, compensating for the damage done to the population, and stabilizing the financial and economic situation in the country.

President's Staff Reacts to Coming Cuts

MK0311114094 Moscow KOMMERSANT-DAILY in Russian 3 Nov 94 p 2

[Report by Veronika Kutsyllo: "Personnel Cuts in President's Staff. No One Wants To Be Odd Man Out"]

[FBIS Translated Text] Judging from the reaction of presidential staff officials to the decision on cutting it by a third at once, it has taken them totally by surprise. As if that were not enough, this move by Boris Yeltsin is veiled by a haze of mystery to this day because, as KOMMERSANT-DAILY has managed to find out, there is no text of the presidential directive at all. The personnel, however, are trying to figure out who precisely is going to be among the one-third. But most probably, despite the short time set by the president for "preparing proposals," the state of suspense among the officials will last for a rather long time—which is hardly conducive to the staff's smooth operation.

Although so far there has been no official communication about cuts in the staff, everyone in the Kremlin knows that such a decision exists. Suffice it to walk the Kremlin corridors to see that. Perturbed officials are painfully turning over in their minds variants of the imminent purge, dashing between the optimistic, "Will they perhaps take a selective approach?"; and the tragic, "They will cut entire departments." No one—either members of Filatov's staff or the president's aides (including Vyacheslav Kostikov)—has seen the text of the directive, and this is easily explainable: there simply is none. According to KOMMERSANT-DAILY's information from a well-informed source, Boris Yeltsin has verbally instructed Sergey Filatov to trim the staff. The president has only measured; Filatov will have to do the cutting. And this, everyone knows, amounts to cutting out your own appendix.

Most of the staffers your KOMMERSANT-DAILY correspondent talked with yesterday do not link the president's decision with the State Duma decree on the government's socioeconomic policy, which recommends eliminating the duplication of effort in the work of the staff and the cabinet. The decision has been maturing for a long time. Many in the Kremlin, however, remember Sergey Shakhray unkindly saying that these tricks are his—as head of the Nationalities Ministry, he waged an active struggle against the staff's department for work with the territories, and on 27 October he accused the entire staff of duplicating the government's functions.

Incidentally, one member of the presidential staff has told KOMMERSANT-DAILY that it is too early for the government to rejoice and anticipate an inflow of officials from the president's staff—the government apparatchiks are also in for cuts. [report contains following boxed text]

Some Data on Russian Presidential Staff

According to unofficial data (official data have so far not been made public anywhere), nearly 2,000 people are employed in the president's staff at the moment. The latest major reorganization of this structure was in February 1994 when the "power" subdivisions were withdrawn from the chief of staff's control, the Administration of the President's Affairs was created, and the Analytical Center was set up on the basis of the then existing three centers (replaced with "directions"). Not a single reorganization entailed staff reductions. On the contrary, most of the subdivisions, originally designated as divisions [otdely], gradually grew to become administrations [upravleniya] with their own subdivisions [podotdely] which quickly set up their own apparatus.

Chernomyrdin Urges Better Relations With Duma

LD0311092694 Moscow ITAR-TASS in English 0853 GMT 3 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 3 TASS—After narrowly escaping a no-confidence vote in parliament, the Russian prime minister promised no witch-hunt, but urged to establish "a new quality" in relations with the State Duma and called on his ministers to hold regular meetings with lawmakers.

"We cannot hope that the government policy is well-understood and supported by legislators if they have no first-hand information", Viktor Chernomyrdin told a government meeting on Thursday.

He added that despite bitter criticisms which he had faced in the State Duma, "it would be wrong to look for

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those who are to blame for drawbacks in the work (of the government), it is necessary to quickly eliminate them".

The premier instructed every ministry to appoint a state secretary who would be responsible for explaining the plans of the ministry in parliament and vice versa.

Besides, he stressed that not only his deputies, but all the ministers should regularly appear in parliament. It is also necessary to regularly invite lawmakers and brief them on government plans, according to him. The government department responsible for contacts with the parliament will be expanded.

Chernomyrdin promised that he himself would meet representatives of parliament factions at least once in two-three months.

The prime minister believes that priority tasks in relations with the parliament should include the 1995 budget, further privatisation, regulations of the financial market, a new edition of the law on bankruptcies and a law on the government.

Chernomyrdin Condemns Anti-Army Campaign

MM0211153194 Moscow KRASNAYA ZVEZDA in Russian 2 Nov 94 p 1

[Report by Aleksandr Prasol: "Front Line Fighters Are Convinced That It Is a Crime for Russia To Have a Weak Army"]

[FBIS Translated Text] Viktor Chernomyrdin and members of the Presidium of the Russian Organizational Committee for the Preparation and Staging of Measures in Connection with the Celebration of the Notable Dates of the Great Patriotic War 1941-1945 have held a meeting in the Russian Federation Government with war veterans, Armed Forces veterans, heroes of the Soviet Union, and full holders of Orders of Glory.

There are not all that many of them left, just over 2.5 million. But no one can dispute the fact that the veterans are still in the ranks. It is just that they are performing a special kind of service—they are concerned about spirituality and patriotism, and the continuity of the best traditions of the people and the Army. Their generation bore the brunt of most severe years of military ordeals, and in this unparalleled fight against the cruel enemy, they achieved the unfading glory of the Russian Army and Russian arms. They returned from this war as victors and they then measured many subsequent events against their exalted front-line yardstick. Maybe that is why the participants in the meeting spoke out so passionately against the latest anti-army campaign which has begun.

In our country it has recently become fashionable and almost obligatory to look to the West: The democracy there should be a model for us, people are saying. And so, Army General Vladimir Govorov, chairman of the Russian Committee of War Veterans and hero of the Soviet Union, noted in his speech, we went on a visit to the United States: There is a special attitude toward the Army there. They honor not only the achievements of American soldiers during the years of World War II, but also today's servicemen. Not a single publication, not a single television channel, private or state-run, can afford to indiscriminately criticize the Armed Forces. But no one is forbidden to accuse even high-ranking officials if they have evidence at their disposal.

The participants in the meeting circulated their statement, which we are publishing today.

Russian Government Head Viktor Chernomyrdin said in response that he resolutely condemns the flare-up of the anti-army campaign. It has never happened in Russia ever before, and it will not happen now, that people should run down the whole army. But this, like the attitude toward the veterans, is more a question of our morality, because you will not achieve anything through prohibitive measures. The premier assured the participants in the meeting that Russian television will definitely have a state channel on which there will always be time for, and room for representatives of the generation who went to war.

Security Council Discusses Ruble Crash

LD0211125794 Moscow Radio Rossii Network in Russian 1200 GMT 2 Nov 94

[FBIS Translated Text] Russia's Security Council concluded that damage was done to the progress of reforms, to the stability of society, to the standard of living of a considerable proportion of the country's population, and to Russia's international prestige by the 11 October ruble crash.

In the Security Council's view, the public should be compensated for this damage. This statement comes in an official report of today's meeting of Russia's Security Council, issued by the president's press service. The report says: The critical situation on the financial market arose against a background of the effect of a number of objective economic factors. At the same time, the report goes on, this was made possible first and foremost by a lack of coordination among federal executive bodies, late and incompetent decisions, and the irresponsibility of a number of officials. There was no control over currency transactions and no measures were taken to halt speculation.

The Security Council instructed the government to take rapid measures to regulate the ruble exchange rate and currency transactions.

Lays Blame for Ruble Crash

LD0211180694 Moscow INTERFAX in English 1417 GMT 2 Nov 94

[FBIS Transcribed Text] President Yeltsin's press service quotes the National Security Council as explaining

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the critical developments on the financial market and the drastic ruble drop of October 11 as being caused by "insufficient coordination between efforts by the federal bodies of the executive branch." The Russian Security Council met Wednesday in the Moscow Kremlin.

The Security Council accused "a number of public servants who could have averted the crisis" of ill-timed, if not incompetent, decisions and irresponsibility. It believes currency operations went out of control and no moves were taken to head off profiteering.

In addition to this, a number of "economic factors" were to blame for the developments on the financial market.

The Security Council instructed the government to "immediately take control of the ruble's exchange rate and currency exchange operations and move to consolidate the legal backbone of the financial, including currency, market." It paid special attention to the need to reimburse losses suffered by the population.

Boris Yeltsin's press service said the government commission on the ruble's fall will go public with its conclusions.

Meanwhile, according to well-informed sources, Russia's Security Council named among those guilty of the ruble's collapse the Finance and Economics Ministries, the Central Bank, the Federal Service for Currency and Export Control, and a number of commercial banks which "profited directly and considerably from destabilizing the national financial system."

A source said that this conclusion is to be found in the Security Council resolution adopted on Wednesday and which is to be published.

The resolution also says that the events on October 11 will entail "long-term and deep negative consequences" for the Russian economy. In addition to this, the dramatic fall of the ruble "damaged Russia's international prestige," because doubts arise among foreign investors about the expediency of investing in the Russian economy, said the source.

The participants in the meeting qualified the dismissal of former Finance Minister Sergey Dubinin and ex-Governor of the Central Bank Viktor Gerashchenko as well justified.

The source said that the Security Council recommended continuing the investigation into the causes of the destabilization on the financial market and, if necessary, to initiate criminal proceedings.

The source did not rule out that the discussion in the Security Council might lead to the division of the posts of vice premier and economics minister. He said that Aleksandr Shokhin is likely to retain the post of vice premier.

Further on Discussion

LD0211200994 Moscow INTERFAX in English 1655 GMT 2 Nov 94

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] It was the activities of the Finance and Economics Ministries, the Central Bank and numerous commercial banks that brought about the collapse of the ruble on the Moscow Interbank Currency Exchange on October 11. This conclusion was made by a state commission that inquired into the causes of the event and announced at the Wednesday session of the National Security Council [NSC] chaired by President Boris Yeltsin.

The presidential press service reports that the NSC described the slide of the ruble as an extraordinary event that posed a danger to the country's security. Businesses lost confidence in the future, long-term investment in production became less attractive, inflationary expectations grew and prices increased as a result of it. The reform course, stability of society, the living standards of numerous people and the international image of Russia were undermined.

The critical situation on the financial market developed against a background of various economic factors but was made possible as a result of lack of coordination among federal executive bodies, slow and incompetent decision making and irresponsibility on the part of various officials who could prevent the crisis. There was no control over currency transactions and no steps were taken to prevent speculations.

The NSC called on the government to take speedy specific actions to regulate the ruble exchange rate and currency transactions, provide ground rules for the financial, in particular currency, market and see to it that currency legislation is observed. Special attention was given to the need to compensate the damage done to the population.

The president made appropriate orders to the government.

Sources say that the National Security Council decided that the inquiry should continue and criminal cases should be opened, if necessary.

Sources do not rule out the possibility that Aleksandr Shokhin will remain a deputy prime minister but his position of economics minister will be taken over by somebody else.

The meeting was attended by Prime Minister Viktor Chernomyrdin, Federation Council and State Duma Chairmen Vladimir Shumeyko and Ivan Rybkin, Defense and Interior Ministers Pavel Grachev and Viktor Yerin, Federal Counterintelligence Service Director Sergey Stepashin, head of the Federal Border

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Service Andrey Nikolayev, Emergencies Minister Sergey Shoygu, Deputy Prime Minister Sergey Shakhray, Justice Minister Yuriy Kalmykov and presidential aides Viktor Ilyushin and Yuriy Baturin.

Security Council's Functions Described

MM0211144794 Moscow KRASNAYA ZVEZDA in Russian 29 Oct 94 p 4

[Article by Valeriy Manilov, deputy secretary of the Russian Federation Security Council, from full-page feature headlined "The Presidential 'Vertical'": "The Security Council—Embodiment of the Idea of Statehood and Consolidation, the Idea of Patriotism"]

[FBIS Translated Text]

Visiting Card

Lieutenant General Valeriy Leonidovich Manilov was born in 1939 into a serviceman's family. He graduated from Odessa Higher Combined-Arms Command School in 1962. He held a series of command posts, and worked in the military press and the USSR Defense Ministry Information Directorate. Since 1992 he has been press secretary to the commander in chief of the CIS Joint Armed Forces. In 1993 he was appointed assistant, and then deputy secretary of the Russian Federation Security Council.

He participated in combat operations in Afghanistan. He is a candidate of philosophical sciences, a graduate of the Military-Political Academy (1978) and the General Staff Military Academy (1985).

The Security Council is a constitutional organ which ensures that the Russian president's functions of governing the state and formulating and implementing domestic, foreign, and military policy in the sphere of security are carried out. The be-all and end-all of all the Security Council's activity is Russia's national interests and ensuring that they are realized and protected.

Incidentally, these interests have never been officially formulated in the past. They were artificially ideologized, not mentioned, and concealed by the ambiguous slogans of internationalism. But they did exist, do exist, and will exist as long as Russia exists as a great power. Great by virtue of the real scale of its material and spiritual potential, its history, its geostrategic position, and its objective role in the world community. All this will be reflected in the Russian Federation national security concept and the federal law on national security. Drafts of these documents are being elaborated under the sponsorship and direct leadership of the Security Council.

This work is only one stroke on the multicolored palette that characterizes the Security Council's everyday work. But it is a revealing and a key stroke. It illustrates the main thing—the statewide and nationwide nature of this activity. I think it is fundamentally important that today, when the complex and contradictory process of establishing new Russian federative statehood is at its very height, the country has an organ which, in its work, objectively focuses on the vital interests of all social strata and groups and of all citizens—irrespective of their party allegiances, ideological views, and sympathies. A multitude of facts attest to the fact that, in people's minds and in the public consciousness as a whole, the Security Council is being increasingly associated with the idea of statehood, patriotism, and consolidation in the name of realizing and protecting Russia's national interests.

Figuratively speaking, this idea materializes in the Security Council's composition. Virtually all our state's top officials are represented here. President Boris Nikolayevich Yeltsin heads the Council. Head of Government Viktor Stepanovich Chernomyrdin and Security Council Secretary Oleg Ivanovich Lobov are permanent members of the Security Council. The Council's members include Ivan Petrovich Rybkin and Vladimir Filippovich Shumeyko, chairmen of the two houses of the Federal Assembly; Vice Premier Sergey Mikhaylovich Shakhray; Russian Foreign Minister Andrey Vladimirovich Kozyrev; Defense Minister Pavel Sergeyevich Grachev; Internal Affairs Minister Viktor Fedorovich Yerin; Federal Counterintelligence Service Director Sergey Vadimovich Stepashin; Foreign Intelligence Service Director Yevgeniy Maksimovich Primakov; Andrey Ivanovich Nikolayev, commander in chief of Border Guard Troops; Justice Minister Yuriy Khamzatovich Kalmykov; and Sergey Kuzhugetovich Shoygu, minister for civil defense, emergency situations, and eradicating the effects of natural disasters.

Each of them bears enormous personal responsibility for ensuring Russia's national interests and security in specific areas and specific spheres of public life. All of them together, within the Security Council framework and under the president's leadership, ensure the elaboration and adoption of decisions which crystallize this responsibility and the experience and knowledge of leading politicians and state leaders. These decisions, which have an integral collective basis, are free from departmentalism, expediency, and subjectivism. As a rule they not only determine the direction and substance of state policy regarding a specific problem but also envisage a mechanism for achieving the objectives associated with it.

The spectrum of such tasks is broad and diverse: They concern the ensuring of the individual's, society's, and the state's security. Their solution is "burdened" by the transitional period's complexities and contradictions. This requires a clear definition of priorities and the concentration of attention and efforts on the areas of key and crucial importance to Russia's national interests and to ensuring its security.

Today it is generally accepted that the threat of a global nuclear war has decreased to a considerable extent. The

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multipolar system of world order has replaced the bipolar system, which is a thing of the past. Where is the center of gravity of the worldwide system now? It is extremely important to determine this because it determines the system's durability and stability. The durability of development is the quintessence of security—both national and international. The multipolar system has proved to be fraught with a multitude of very serious, albeit localized, armed conflicts, each of which could develop into a global armed conflict. Especially as lately the task of preventing the proliferation of nuclear weapons and other types of mass destruction weapons has switched to a practical plane and organized crime, terrorism, and the illegal circulation of weapons and narcotics are increasing in scale.

Duma Defense Committee Head Calls for Grachev Dismissal

LD0211121794 Moscow ITAR-TASS in English 1059 GMT 2 Nov 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow November 2 TASS—An influential Russian lawmaker welcomed the decision of Boris Yeltsin to sack Deputy Defence Minister Matvey Burlakov, who was accused by mass media of corruption, and urged the president to dismiss the defence minister as well.

"The decision of President Yeltsin about the resignation of Matvey Burlakov is absolutely correct", Sergey Yushchenkov, chairman of the State Duma Committee on Defence told TASS on Wednesday.

"I believe that in the given situation (Defence Minister) Pavel Grachev should also resign and thus the aim of protecting the honour and dignity of the Armed Forces, which was declared in the presidential decree, will be reached", Yushchenkov added.

The Russian press wrote much about corruption in the troops in Germany which were headed by Burlakov who was appointed deputy defence minister on Grachev's request after the forces were withdrawn to Russia.

However, the major attack on the two top military came from the popular "MOSKOVSKIY KOMSOMOLETS" newspaper after its military correspondent Dmitriy Kholodov was killed by a parcel bomb. The daily openly accused Burlakov and Grachev of corruption and financial embezzlements and said they might be linked to the murder of the journalist.

The sacking of Burlakov may be considered as the first success of the Russian democratic press in exposing corruption among top officials. Usually such exposing articles remain without notice on the part of authorities.

However, Yushchenkov hinted that new reshuffling among the top military may take place after his committee exmaines cases of corruption in Russian troops in Germany in mid-November. "The resignation of Matvey Burlakov is only a part of the problem", he said.

Yeltsin Names Candidates for Constitutional Court

LD0311100794 Moscow Radio Rossii Network in Russian 0900 GMT 3 Nov 94

[FBIS Translated Text] Boris Yeltsin named today to the Federation Council the candidates for the posts of Constitutional Court judges—five candidates for three vacancies. These are Raif Bektagraf, Yuriy Danilov, Yuriy Kalmykov, Mikhail Krasnov, and Valeriy Savitskiy.

Yeltsin Directive on Udmurtia Powers

MM0211173394 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 94 First Edition p 5

[Russian Federation president's directive no. 547-rp]

[FBIS Translated Text] In accordance with part three of article 11 of the Russian Federation Constitution:

1. The signing in the city of Moscow of the treaty on the demarcation of spheres of management and the reciprocal delegation of powers between the organs of power of the Russian Federation and the organs of state power of the Udmurt Republic shall be scheduled for December 1994.

2. The Russian Federation Government shall be instructed to agree by that date on the text of the treaty with the organs of state power of the Udmurt Republic.

[signed] Russian Federation President B. Yeltsin, 27 October 1994.

Publication of State Secrets Prompts Concern

MM0211115194 Moscow ROSSIYSKAYA GAZETA in Russian 29 Oct 94 p 3

[Article by Vladimir Klimov: "Were There To Be Secrets, Someone To Sell Them Would Turn up. Names of Government Members Become Impenetrable Shield in VOYENNYY PARAD Journal. You Can Hide Behind Them To Do What You Like"]

[FBIS Translated Text] I first saw an issue of VOYENNYY PARAD at the beginning of the year. As a former military journalist I was struck not by the superb photographs and the brilliant print quality, but by the content of the articles.

In recent times journalists were prohibited from even hinting that, for instance, the Taman Division—which is open to foreign guests to visit—is stationed near Moscow. But the journal publishes descriptions of the basic features of, and tactical and technical information on, the most modern weapons types and combat hardware undergoing field trials.

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But here is a fact—five issues of the journal VOYENNYY PARAD have been published. The sixth is soon to appear. Each of them, in my view, is full of information that constitutes state secrets. In order to clarify whether there now really is a need to sell off our military secrets, I approached various people. The first was Yevgeniy Shashkov, chief editor of VOYENNYY PARAD.

We had a long conversation. I asked him to talk about the aims of the journal and its sponsors, and about whether the chief editor saw any possibility of secret information leaking out through his publication. I also inquired about the relationship with "Rosvooruzheniye."

Some of Yevgeniy Shashkov's replies were surprising, some were worrying. It transpired that one of the journal's founders and its main financier is Viktor Bondarenko, an American of Soviet extraction. Why he left the country remains a secret on which the chief editor did not wish to elaborate.

To all intents and purposes all the reins of control are in Bondarenko's hands, since it is he who ensures publication of the journal in Italy. Shashkov stressed that the journal upholds Russian interests. But one more turn of the financial faucet and all our interests will be buried by the American.

There is a lot of doubt about secrecy too. Although each article is okayed by the management of the enterprise producing the military equipment in question, after publication there are often problems regarding the disclosure of state secrets. I think this happens because defense scientists are too keen on pushing their products in the international market.

The journal's staffers, including its photocorrespondents, have been allowed free access to secret enterprises to photograph what they want. I was told that the journal's staff have been vetted and are mainly former officers. Without wishing to offend anyone by being suspicious, the possibility of secret information leaking out in ways other than through articles in the journal cannot be ruled out.

But Shashkov himself sees intrigues on the part of his Western rivals in these calculations. Western military-technical publications set up bureaux in Moscow during the perestroyka era. They found people, are paying them well, are sending them around defense enterprises to collect material, and are faxing it abroad.

For instance, the German publishing group "Muench" operates in Russia. It publishes the journal MILITARY TECHNOLOGY. Its bureau with a staff of around 20 to all intents and purposes engages in the uncontrolled collection of military-technical information containing many facts that should not be made public.

VOYENNYY PARAD has the closest relationship with "Rosvooruzheniye." In the space of six months the state company has signed contracts for weapons and combat hardware worth $1.5 billion. This sum is considerably higher than last year.

I will frankly admit that my conversation with the chief editor raised as many questions as it answered. Shashkov himself feels that not everything is in order regarding the safeguarding of secrecy in the journal. And what is the attitude toward this of those whose job it is to prevent secrets leaking into the press?

VOYENNYY PARAD's chief editor accuses—and quite justifiably—foreign publishing firms of wanting to obtain the secrets of the Russian military-industrial complex and sell them on to somebody else at a higher price. But, let us be frank—publication of the Russian VOYENNYY PARAD is possible thanks to money from a U.S. citizen. And, as is well known, altruism is not held in high esteem in the business world—people will simply not spend good money on it. Particularly Americans. They never miss a trick and will go to any lengths to make a profit. So I have no doubt that the American citizen is using the journal in his own interests.

Which interests?

I very much hoped that the veil of commercial secrecy—put it that way—would be lifted for me by the Federal Counterintelligence Service [FCS].

I waited almost two weeks. I do not know if they spent the time thrashing things out and coordinating everything, but I ultimately received no specific response. The results were summed up over the telephone by Aleksandr Mikhaylov, chief of the FCS Public Relations Center.

His reply boiled down to the following. The FCS is not a customer, producer, or vendor of armaments and combat hardware. Counterintelligence officers protect not the secrets published in the journal, but the facilities where new weapons and hardware are developed. Under present legislation those who produce new weapons are free to declassify them.

In general, assessing the activity of the VOYENNYY PARAD journal is not part of the FCS' job. The Armed Forces General Staff has a department for the protection of secrets in the mass media. This is the department that should make an assessment.

Unlike the FCS, Colonel Aleksandr Manichev, chief of the department, did not find my interest in VOYENNYY PARAD surprising or unjustified.

Yes, there is concern about the journal in the military department. We are worried about whether we will lose more than we gain from its articles.

The department has prepared a conclusion which has been passed on for expert evaluation [ushlo v ekspertnyy kontrol].

But, although an expert conclusion has been prepared, the situation is very ambiguous. Aleksandr Manichev

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does not plan to define the level of the journal staffers' guilt. Why? Because they do nothing without permission from higher organizations. The journal's articles relate to the sphere of activity of the State Committee for the Defense Sectors of Industry [Goskomoboronprom]. It has concluded that all the articles can be published.

What motivates the staff at this state institution? Are they really unaware of the very strict laws in the developed Western and Oriental countries—Japan, for instance—banning outright any attempts to transfer military technology secrets abroad? Or has the Goskomoboronprom already forgotten about the tough Coordinating Committee for Multilateral Export Controls regulations? Have these been abolished? Just try getting some new information with defense implications in the West—nothing will come of it!

But we are generous. With our secrets. With our people. Over the past year around 70,000 highly qualified specialists have left the military-industrial complex to go abroad. The U.S. immigration service has passed special legislation to establish preferential conditions for workers from the Russian military-industrial complex. All this convinces us that the United States is well-acquainted with Russian weaponry.

We Russians, even if we are in uniform, continue to gaze goggle-eyed upon foreigners, welcoming their every sneeze. Should we be surprised that the newspaper KRASNAYA ZVEZDA, which constantly proclaims its patriotism, devoted 15 October virtually an entire page to articles from the "Muench" publishing group advertising...Russian weapons? The KRASNAYA ZVEZDA people were clearly unconcerned about how the foreigners got hold of this information.

Col. Manichev, like the FCS representative, said that the specific results of the expert review of articles in the journal VOYENNYY PARAD could be provided to the editorial office only on the orders of his superiors. Consequently, my conversations with representatives of the two organizations designed to protect secrets reminded me of the children's rhyme: "Don't choose black, don't choose white; don't say no, don't say right....."

Why did these people stop short, why do they not want to help in the noble matter of protecting the fatherland's interests? It is no great mystery. The explanation is not just simple, it is very simple. Get hold of the journal and look at the composition of its military-industrial council. I will quote just three names—Oleg Soskovets, first deputy chairman of the Russian Federation Government; Aleksandr Shokhin, Russian Federation minister of the economy; and Viktor Glukhikh, chairman of the Russian Federation Goskomoboronprom.

In all, there are 33 names on the list. And each of them is very well-known, each can ensure, on the one hand, that items on military hardware innovations get into the press, and, on the other hand, that an overzealous official's knees will knock. Aleksandr Mikhaylov told me almost as an afterthought that the first issue of VOYENNYY PARAD had been published with a message from Viktor Chernomyrdin himself wishing it well. I could add that Issue Six will carry an interview with Aleksandr Mikhaylov's boss—Sergey Stepashin.

Yes, there was a message from our premier. Insofar as I am aware, it was written by Shashkov himself, exploiting his old ties to the former "Gazprom" leader. But I am 100-percent certain that V. Chernomyrdin did not know what articles would be published in the journal.

An aide to O. Soskovets could tell me nothing about his boss' participation in VOYENNYY PARAD. Aleksandr Shokhin tried unsuccessfully to remember: "Yes, I'm a member of something...."

The people with the famous names do not read the journal, but they know what it covers. But their names are used like a battering ram to obtain coverage of material that is dubious from the secrecy standpoint, and as a reliable shield against any critical attacks.

But why is "Rosvooruzheniye" so interested in the journal? We do not know. But we know that publication abroad of the expensive journal (a subscription to VOYENNYY PARAD costs $300) benefits...those engaged in machinations. As a result of various manipulations which are well understood by financiers and the tax police service, profits can be concealed from tax and huge sums that are earned from dubious financial operations can be channeled abroad.

All this is possible. Theoretically. But in practice Bondarenko and Shashkov, the American and a Russian national, publish an even more expensive and colorful journal—PASPORT V NOVYY MIR—using funds supplied by the former. A Russian region pays $150,000 for the publication of articles about its life and work. In other words, the breach allowing money to flow abroad is widening.

Incidentally, a word regarding the participation of the journal VOYENNYY PARAD in raising income from advertising at international arms fairs. The "Difenderi '94" exhibition was recently held in Athens. Here is what IZVESTIYA wrote about it: "The Russian exhibit's stands were hung with placards like those used to attract new recruits to the Army. The marketing videos did not make people feel like parting any more quickly with money earmarked for weapons purchases. And the 103-man delegation gave its rivals the impression that all the visitors to the exhibition were exclusively crowding into the Russian section."

The "Rosvooruzheniye" representatives admitted that the composition of the delegation was originally far smaller, but that generals, general directors, their deputies, certain functionaries from the government apparatus leadership, and the assistant first deputy chairman very much wanted to go to Greece.

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Reading these lines, it all sounds farcical.

Development To Give Socialism 'Second Wind'

MM0211112594 Moscow SOVETSKAYA ROSSIYA in Russian 27 Oct 94 p 2

[Excerpt from "Verbatim Record of Proceedings at the Ninth Plenum of the Communist Party of the Russian Federation Central Executive Committee": "G. Zyuganov: On Preparing the Program—For a Life Fit for a Human Being"]

[FBIS Translated Text] A projection of the prospects for social progress on the threshold of the Third Millenium requires a profound understanding of what is going on and a clear strategy for the future. A number of major scientific-practical conferences held on the initiative of the Central Executive Committee Presidium in recent times have been devoted to tackling this task. Not long ago a very interesting conference was held on "Reforms in Russia in the Light of the Concept of Steady Development": It was addressed by our best scientific forces, and important provisions were formulated which we are obliged to include in our program document. After discussion and modification of the draft program in the party organizations, a whole chapter may be devoted to this.

The history of the 20th century was marked by the global confrontation between two social systems—capitalism and socialism. The dramatic events of the late 1980's and early 1990's denoted a critical boundary in this rivalry. However, their dispute is far from over, as the still very real inconsistencies and problems in mankind's development that were reflected in the dispute have not yet been settled.

Capitalism, dominant today across the greater part of the globe, has been transformed beyond all recognition in the five centuries of its existence, but it nevertheless retains its chief essential characteristics. "Production per se" as the eternal, natural precondition of human life continues to operate in the specifically historical mold of the production of value and surplus value—capital—with no internal check and aspiring merely to an endless quantative increase. Accordingly, capitalism identifies social wealth with an "enormous accumulation of commodities" and social progress with the unlimited multiplication of their quantity and variety. Subordination of the production of things and value in use to the laws of production of value in exchange graphically distinguishes the capitalist method of production from the structures preceding it and determines the entire system of its basic and superimposed values, priorities, and aims.

All serious Western thinkers acknowledge in unison and with increasing concern that, commensurate with the coming into being of a consumer society, alienation in that society grows and the subjugated, passive position of the individual as a "cog" in the overall social mechanism intensifies. Consumption becomes the "sacred duty" of the individual, and both his social status and personal well-being depend on its fulfillment. The individual is transformed from an appendage of the machine to an appendage of the credit card, which the futurologists predict will become an artificial limb, a substitute for the individual's soul, his conscience.

The compulsion to work is supplemented by a compulsion to consume through various means of manipulation, first and foremost advertising, foisting on the individual more and more artificial requirements in both the material and the spiritual sphere. Individual freedom is reduced to the freedom of the purchaser to choose between various, ever-changing, but in fact identical forms of a particular commodity.

However, even this surrogate of freedom for some relies, as before, on the increasing lack of freedom of others. Overconsumption by the so-called "golden billion" living in developed capitalist countries reveals as the other side of the coin underconsumption by the majority of the Earth's population. Capitalism has not lost its exploitative nature, nor has it resolved the contradiction between labor and capital. But, having become a world system, it has instilled the diametrics of that contradiction in various countries and continents, thus complicating their solution by camouflaging them under a cloud of interethnic, interconfessional, and other contradictions and conflicts, the destructive potential of which is rising inexorably. Alongside them, a special class of new so-called global problems has also emerged—geopolitical, ecological, demographic, and so on.

A whole range of problems are impossible to solve in the context of Western consumer society's transformation into a global model of development. At present, in particular, it is generally recognized that an extension to the whole of the Earth's population of the level of specifically resource- and energy-based consumption typical of the "golden billion" would lead to the type of pressure on the environment which would prompt a planetary ecological disaster and make the Earth unfit for habitation.

Communists see this question in a broader context: The capitalist form of progress has reached the limit of its capacities, not only because the subordination of all social development to the task of continuous generation of capital contradicts the task of the continuation of the life on the planet, but also because the entire concomitant system of social relations, values, and priorities contradicts the real requirements of the human individual and impedes the attainment of social justice. Together with this, the impossibility of setting up the production basis of a consumer society on a global scale has decisive significance for the formation of social progress in the coming century.

Realistically, two alternative strategies remain feasible.

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The first—neo-Malthusian in essence—consists in a restriction, or even a complete freeze, on the level of world production while preserving its current fundamental [printsipialnyy] technological structure. The existing world structure of distribution, the perpetuation of the division of humanity into the "golden billion" and the raw material periphery exploited by it, is in line with this socioeconomically; the reinforcement of the global hegemony of developed capitalist countries in the form of a "new world order" impinging on the sovereignty of peoples and maintained by military-police actions across the entire world accords with it politically. Today, this strategy is actively being implemented by the United States and its allies, and the United Nations is becoming its instrument.

The other strategy is aimed at the further development of production forces and a steady increase in the level of prosperity of the entire world population while preserving its ecological equilibrium on the basis of a qualitative change to the model of production and consumption, a radical review of the system of social values and of economic development priorities, and a corresponding reorientation of the general vector of scientific and technological progress.

The sum total of projects aimed at achieving this aim being conducted in many countries of the world has now been given the generally accepted title of the concept of "steady development." And whatever the specific technical and organizational details of this concept may be, we link its social content, as well as the worldwide-historic mission of its implementation, with socialism and communism in their contemporary meaning, deriving from the vital objective requirements of world development.

The history of real socialism on the planet has reached a crucial stage. In practice, the era of early proletarian revolutions, which arose as a direct reaction to the decay of original imperialism, to the material and moral catastrophe of the world wars which placed civilization on the verge of extinction, is over. These revolutions fulfilled their historical task in two ways: On the one hand they led to a break in the chain of world imperialism and the formation of the first socialist states, and on the other they brought in their wake world reform in the developed capitalist countries, bolstering the entire range of workers' socioeconomic rights and political freedoms and drastically accelerating capitalism's transition to the "consumer society" stage. The socialist revolution in Russia, in point of fact, was a driving force behind world reforms.

...The steady development model, in whose creation socialism will acquire a second wind, is not a purely technical problem but an organic unity of interlinked so[illegible]conomic, political, cultural-psychological, and technological aspects.

The global situation dictates that mankind must pursue the task of ensuring its own harmonious and just development in the sphere of overcoming the wastefulness of modern civilization and making general economies—in the natural environment, material resources, and labor. The possibility of such a change of direction is contained in the objective trends in the development of production forces, identified long ago by K. Marx and ever more clearly manifested today, leading to qualitative advances in all walks of life.

The nature of production work is changing radically: Commensurately with scientific-technical progress, automation, robotization, and increasing science-intensiveness in production, the creation of material wealth becomes increasingly dependent not on direct labor and its duration but on the extent and power of matter, energy, and information flows and on the individual and social degree of scientific mastery of the laws of nature and technology. Production work is becoming primarily intellectual work. By dint of this, the influence of creative motivation and incentives to work is increasing steadily.

With the transformation of the force of knowledge and intellect into a direct production force, the "development of the social individual" (K. Marx) functions as the chief basis of production and wealth. Accordingly, the most weighty investments become investments in the individual—in science, education, culture. The measure of social wealth is therefore increasingly seen not as working time (and the value of exchange being created during it) but rather its economy—the free time essential to the individual for uninterrupted development.

It is also very important to identify the true correlation between human capabilities and requirements. This correlation consists in the fact that an individual's requirements are determined by the level of his capabilities, and not the other way around. The range of requirements must be understood as the sum total of material and spiritual resources necessary to the individual for the realization of his capabilities in the surrounding world. Without this understanding, the principle "From each according to his abilities, to each according to his needs" coincides with the bourgeois ideal of "overconsumption" and becomes meaningless. In order for it to acquire its real substance in place of the socially unjust consumer race so devastating for the natural environment and for mankind—in place of "overconsumption"—consumption as a function of the development of the individual's creative abilities must come to the fore.

In pursuing this strategy, society is obliged to guarantee each of its members a stable and constantly growing level of per capita consumption worthy of the individual, a qualitatively ever more diverse level of consumption in the sphere of social, collective, day-to-day existence. This task presupposes a profound overhaul of the entire infrastructure of life, a fundamentally new degree of development of the systems of public transport, communications, information, public catering, health, education and creative centers, cultural-aesthetic development and leisure, clubs, theaters, parks, stadiums, museums, libraries, and so on.

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The expansion of existing and the appearance of new forms of social consumption will draw millions of people into various forms of creative activity, self-organization, and self-government, developing the spirit of collectivism and human solidarity.

Proceeding from an analysis of modern trends of the development of science and technology, it is even possible to sketch the general contours of the technological basis of the steady development....

Technological progress coincides in its socioeconomic dimension with the process of the practicable collectivization of labor—the reinforcement of its collective character, the rise of interconnections between different branches and sectors of production, and its subordination to common state and global aims and control. The collectivization of labor is the "main ma'erial basis of the inevitable onset of socialism" (V.I. Lenin), the eradication of private ownership, and the overcoming of market anarchy on the basis of planned regulation.

Media Issues

New Press Committee Chairman Gryzunov Profiled

MM0311115594 Moscow IZVESTIYA in Russian 3 Nov 94 p 2

[Report by Sergey Chugayev: "New Russian Press Minister Intends To Defend Freedom of the Press"]

[FBIS Translated Text] Sergey Gryzunov spent his first day as chairman of the Russian Federation Committee for the Press in court, where he was appearing as a witness in the "Boris Mironov versus IZVESTIYA" trial.

Following his move from journalist to state official and deputy chairman of the Committee for the Press this April, S. Gryzunov received wide renown fairly rapidly thanks to his tough battle with his boss B. Mironov from the very outset.

Whereas Mironov thought it necessary to subordinate the press to the state, Gryzunov favored and still does favor destatizing the press and giving it total freedom of action.

S. Gryzunov was born in 1949 in Samara to a family of employees. He graduated from Moscow State University's Faculty of Journalism where he was one of the most popular students, the star of the faculty's informal activities. On obtaining his diploma he began work at Novosti Press Agency.

He made his reputation as a journalist during two lengthy assignments to Yugoslavia and effectively experienced the entire civil war. His reports from the hottest spots of the conflict were frequently published, including in IZVESTIYA. For these reports S. Gryzunov was, in particular, almost deported from the country by Milosevic's government.

The new press minister is not a member of any political party or public movement, but he makes no secret of his democratic views. This fact gives us reason to believe that the second appointment in the recent government reshuffle (following the agriculture minister) is designed, in particular, to redress the leftward leanings that have recently been quite noticeable in the president's policy and dispel the democratic forces' misgivings regarding the possibility of the Kremlin's moving the political goalposts. Gryzunov's appointment is also evidence that the rumors of M. Poltoranin's growing influence in the presidential entourage are exaggerated.

S. Gryzunov sees his main task as minister of the press as being to implement the idea of creating independent information and publishing concerns, which will, in his view, enable journalists to obtain from the state the two main things that most of them are as yet lacking, to whit a roof over their head and means of production. According to S. Gryzunov, this idea met with the prime minister's support during a personal conversation on the eve of his appointment He also intends to reform considerably the committee, transforming it from a budget-funded administrative organ into a kind of federal information service.

Draft Law on State Support for Media

MM0211130594 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 94 First Edition p 4

[Draft Federal Law of the Russian Federation "On State Support for the Mass Media and Book Publishing in the Russian Federation"—according to a footnote, this draft law was "Given its first reading by the State Duma. The draft law's first version was published in ROSSIYSKAYA GAZETA 18 June 1994"]

[FBIS Translated Text] This law regulates the procedure for state support for the mass media and book publishing and is an integral part of legislation on the mass media.

This law is a normative legal act of Russian Federation legislation on state support for the mass media and book publishing and on privatization of facilities providing backup for their operation.

Chapter I. Definitions

Article 1. Basic terms used in this law

The following definitions will apply for the purposes of this law:

state support for the mass media—the totality of organizational, organizational-technical, legal, economic, and other measures instituted by the state for the purpose of

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ensuring the citizens' rights as regards provision of objective information, freedom of speech, and independence of the mass media;

mass information—printed, audio, audiovisual, and other reports and materials intended for an unrestricted audience;

mass media—periodical printed publications, radio, television, and video programs, movie news reels, and other forms of periodical dissemination of information;

periodical printed publications—newspapers, journals, almanacs, bulletins, and other publications appearing under the same title, under consecutive serial numbers, and published at least once a year;

radio, television, and video news reel programs—the totality of periodical audio and audiovisual reports and materials (programs) appearing under the same title and published (broadcast) at least once a year;

mass media output—the print run or part of the print run of an individual issue of a periodical printed publication, the individual installment of a radio, television, or movie news reel program, the duplication run or part of the duplication run of an audio or video recorded program;

dissemination of mass media output—the sale (subscription, delivery, distribution) of periodical press publications, audio or video recorded programs, transmission of radio and television programs (broadcasting), screening of movie news reels;

publishing house—an organization, institution, or enterprise (entrepreneur) engaged in the preparation, production, and release of book output;

printing enterprise—an enterprise providing material and technical backup for the publication of newspaper, book, and journal output;

television and radio broadcasting enterprise (television and radio broadcasting company—TRK)—an enterprise engaged in the making, technical production, and scheduling of audio (radio broadcasting), video, and audiovisual (television broadcasting) mass information and reports intended for direct reception by television viewers and radio listeners, and the dissemination of such programs using electromagnetic wavebands (airwaves, cable, wire, and other electromagnetic systems);

broadcasting center (PTs)—radio and television broadcasting centers (RTPTs), radio broadcasting centers (RTs), and other electronic communications enterprises offering, among others, services in the dissemination of television and (or) radio programs prepared by television and radio broadcasting enterprises;

news agency—an organization, institution, or enterprise (entrepreneur) engaged in the gathering and prompt dissemination of information;

enterprise for the distribution of periodical publications—an organization, institution, or enterprise (entrepreneur) engaged in the sale of periodical publication both in the Russian Federation and abroad;

monopolist—an organization, institution, or enterprise (entrepreneur) recognized as such under the antimonopoly legislation;

advertising mass media—mass media wherein advertising accounts for more than 40 percent of the total volume of a periodical publication's individual issue or 25 percent of broadcast time for a television or radio program;

erotic mass media—periodical publications or television or radio programs entirely and systematically exploiting interest in sex.

Chapter II. Tax, Customs, Foreign Currency, and Other Financial Regulations

Article 2. Tax regulations

Turnover associated with the sale of mass media output, book output, and printing services for the production of newspaper, book, and journal output is exempt from value-added tax [VAT].

Services associated with the transportation, loading, unloading, and transshipment of periodical press publications for export are exempt from VAT.

Profits earned by the editorial offices of mass media, publishing houses, news agencies, television and radio broadcasting companies, enterprises for the distribution of periodical printed publications, and broadcasting centers from the production and dissemination of mass media output are exempt from taxes payable to the Russian Federation federal budget.

Profits earned by printing enterprises from the provision of services for the production of mass media output are exempt from taxes payable to the Russian Federation federal budget.

Profits earned by the editorial offices of mass media, publishing houses, news agencies, and television and radio broadcasting companies and channeled into financing capital investments for production purposes are exempt from taxes. There is no limit to the untaxed proportion of profits channeled for these purposes.

Article 3. Customs regulations

Periodical printed publications exported outside the Russian Federation customs territory by the editorial offices of mass media are exempt from customs duties and charges levied on exports.

Newsprint, printing supplies and printing inks and dies [nositel], audio and video information, and technological and engineering equipment imported into the Russian Federation customs territory by the editorial offices

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of mass media, publishing houses, news agencies, television and radio broadcasting companies, and printing enterprises and used by them for the production of mass media output are exempt from customs duties.

Article 4. Foreign currency regulations

The editorial offices of mass media, publishing houses, printing enterprises, television and radio broadcasting companies, news agencies, and enterprises for the distribution of periodical printed publications are exempt from the mandatory sale of foreign currency revenue earned from the export of newspaper, journal, audio, and video output provided such revenue is used to acquire equipment and materials necessary for the production of mass media output and its expansion.

Article 5. Other financial regulations

The editorial offices of mass media, news agencies, and television and radio broadcasting companies use postal, telegraph, and telephone communications services at the rates prescribed for budget-funded organizations.

The editorial offices of mass media, publishing houses, printing enterprises, news agencies, television and radio broadcasting companies, enterprises for the distribution of periodical printed publications, and broadcasting centers pay for municipal services and the rental of premises in buildings which are federal property at rates not exceeding those prescribed for organizations in the cultural sphere.

The editorial offices of mass media, publishing houses, news agencies, and television and radio broadcasting companies exercise full management rights over the premises occupied by them or used by them in the process of their production and economic operations, with the right to subsequent purchase.

Article 6. Special provisions of tax, customs, foreign currency, and other financial regulations as regards advertising and erotic publications

The concessions provided by Articles 2 through 5 do not extend to advertising and erotic publications.

Chapter III. Special Provisions on the Privatization of Facilities Providing Backup for the Publication of Newspaper, Journal, and Book Output

The privatization of enterprises providing backup for the publication of newspaper, journal, and book output is effected in line with current legislation on privatization, with due consideration for any special provisions laid down by this law.

Article 7. Restrictions on privatization

The following remain in federal ownership:

—printing enterprises whose production capacities make it possible to publish newspaper, book, and journal output for statewide needs;

—printing enterprises which are monopolists in the federal market for goods (services);

—printing enterprises employing high technologies for the production of highly artistic and high-quality printed output;

—publishing houses which are monopolists in the federal market for goods (services);

—monopolist enterprises providing backup for the printing sector's operations.

Article 8. Flotation of enterprises in federal ownership

Printing enterprises on the territory of Russian Federation components which are classed as federal property and are monopolists in the production of newspaper, book, and journal output on the territory of the Russian Federation component in question, and printing enterprises within the system of decentralized newspaper and journal press, will be transformed into joint-stock companies.

Thirty percent of their shares will remain federally-owned for three years.

Twenty percent of their ordinary shares will be allocated by closed subscription to printing enterprise workers.

Fifty percent of ordinary shares will be allocated to editorial offices and book publishing houses producing output at the printing enterprise in question, which are being transformed into open-type joint-stock companies or are already such companies. The blocs of shares will be distributed among them in proportion to the volume of output produced in physical terms.

Editorial offices, publishing houses, and printing enterprises are entitled to sell part of their shareholding, attracting investors at their own discretion, provided the enterprise's functions remain unchanged.

Article 9. Open-type joint-stock companies

Printing enterprises not falling within the scope of Articles 7 and 8 of this law will be transformed into open-type joint-stock companies.

A bloc of 25.5 percent of their shares will remain federally-owned.

Forty percent of their shares will be allocated by subscription among workers of the enterprises in question and among journalists from publications being permanently produced at the printing facility in question, subject to concessions granted by the Russian Federation Government.

The remaining shares will be sold by investment or (and) commercial tender.

The collectives of printing enterprises and the editorial offices of mass media and publishing houses enjoy the preferential right to acquire blocs of shares offered for sale by investment or (and) commercial tender.

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Chapter IV. State Order

Article 10. State order

The state order is composed with a view to satisfying state needs as regards the publication of mass media and literature required for the solution of nationwide tasks in the spheres of upbringing, education, culture, science, and technology, as well as the development of new printing technologies.

The state order is a form of direct state support for promising projects and programs (editorial, publishing, scientific research, technical, and technological).

The state order is formulated within the framework of federal targeted programs for the sphere in question and in line with the Russian Federation Law "On Deliveries of Output and Commodities for Federal State Needs."

The state order takes the form of:

—purchasing from the editorial office or publishing house the print run (or part thereof) of periodical publications or books for state needs (libraries, educational establishments, and so on);

—providing credit for the development and introduction of new printing technologies;

—providing credit for the construction of production and housing facilities for the mass media;

—providing credit for the creation of new types of periodical publications and book publishing houses for the publication of literature to meet statewide needs.

The state order cannot take the form of state budget subsidies to cover losses incurred by editorial offices, publishing houses, or printing enterprises.

Article 11. Procedure for determining the state order

In line with the Russian Federation Law "On Deliveries of Output and Commodities for Federal State Needs," the determination of the state order is effected by the Russian Federation Government jointly with departments, the National Fund for Mass Media Development, editorial offices, book publishing houses, printing enterprises, the state news agency, and public and other interested organizations.

Article 12. Conditions for the implementation of the state order

The placement and implementation of the state order are assigned to a state purchasing agent or agents appointed by the Russian Federation Government on an exclusively competitive basis.

The state order is part of federal targeted programs.

The procedure for implementing the state order and responsibility for its fulfillment are laid down in line with the Russian Federation Law "On Deliveries of Output and Commodities for Federal State Needs."

The mass media, publishing houses, and printing enterprises participating in the implementation of the state order enjoy the concessions envisaged by the Russian Federation Law "On Deliveries of Output and Commodities for Federal State Needs" and Articles 2 through 5 of this law.

Chapter V. National Fund for Mass Media Development

Article 14. Objectives and tasks of the National Fund for Mass Media Development [NFMMD]

An NFMMD will be created for the purpose of accumulating and investing funds in the development of the material and technical base of mass media and book publishing.

The NFMMD is a noncommerical organization in line with current legislation.

The Russian Federation, represented by its supreme organs of state power, is a cofounder of the Fund.

Any property handed over to the Fund by its cofounders is the Fund's property.

The Fund utilizes this property for the purposes laid down in its charter.

The Fund is obliged to publish annual reports on the utilization of its property.

For the purpose of resolving the tasks associated with support for and development of the mass media, the Fund is empowered:

—to incorporate enterprises, including banks and insurance companies;

—to engage in entrepreneurial activity;

—to incorporate nonstate pension funds;

—to participate in the financing and implementation of the state order in the spheres of mass media, book publishing, and printing operations;

—to accept regular contributions and donations from legal and physical persons.

The Fund will exercise day-to-day management of any federal property transferred to it and needed for the development of the mass media, with the exception of any property which is subject to the exercise of full management rights by mass media editorial offices.

The Fund receives finance from the federal budget for the implementation of projects in the sphere of mass media development within the framework of federal targeted programs in line with the Russian Federation Law "On Deliveries of Output and Commodities for Federal State Needs."

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The Fund will be the trustee of the blocs of shares retained in federal ownership during the transformation of printing and other enterprises into joint-stock companies in line with current legislation.

The financial resources owned by the Fund and the dividends from shares held by the Fund as trustee can be used by the Fund solely to finance projects whose purpose is to develop the mass media and selected on the basis of a competition among interested organizations, institutions, and enterprises or expert appraisal (if there are no alternative projects).

The participation of the Fund, mass media, publishing houses, and printing enterprises in the implementation of projects associated with the development of the mass media is determined by a contract defining the procedure for distribution of profits in proportion to the sides' financial, intellectual, and organizational participation.

The creation and activity of the NFMMD are no obstacle to the creation and activity of other funds for the accumulation of financial resources voluntarily offered for the development of the mass media or for assisting journalists and their collectives under special programs.

Article 15. Management of the Fund and monitoring of its activity

The NFMMD is headed by a Supervisory Council.

The Supervisory Council is composed by the Federation Council, the State Duma, the president, and the Russian Federation Government on a parity basis of five persons from each organ of federal power. Members of the Supervisory Council are appointed for a three-year period.

The Supervisory Council includes representatives of public organizations and the mass media.

The Supervisory Council approves the Fund's charter.

The Supervisory Council appoints the Fund's Executive Board of Directors.

The Supervisory Council makes decisions on:

—the Fund's investment policy;

—financial assistance to enterprises;

—the incorporation of joint-stock companies and banks;

—participation in the implementation of the state order.

The Supervisory Council is empowered to rescind or overrule any decision by the Executive Board of Directors or any director.

State monitoring of the NFMMD's activity is exercised by the Supervisory Council.

Chapter VI. On the Procedure for Bringing This Law into Force

Article 16. Schedule for bringing the law into force

This law comes into force from the moment of its publication.

The articles in Chapters II and IV come into force on 1 January 1995.

Article 17. On the introduction of amendments and additions to already adopted laws

Amendments and additions are to introduced to already adopted laws, and normative acts are to be brought in line with this law.

Article 18. On bringing federal legal acts in line with this law

The Russian Federation president is to be asked to bring the edicts and directives of the Russian Federation president in line with this law.

The Russian Federation Government is to instructed to bring the legal acts promulgated by it in line with this law.

Economic Issues

'Sources' Claim Shokhin To Go Following Ruble Crash

LD0211153694 Moscow INTERFAX in English 1140 GMT 2 Nov 94

[FBIS Transcribed Text] The Russian Security Council decided Wednesday that the Finance and Economics Ministries, as well as the Central and several commercial banks, profited from the destabilization of the national financial system and are responsible for the ruble's dive on October 11.

Knowledgeable sources told INTERFAX that the Security Council will go public with its view of the ruble drama.

If appropriate, the inquiry into the circumstances of the ruble's dive will lead to criminal proceedings, the Security Council said.

The sources said that as a result of the Security Council's Wednesday decisions, Vice-Premier Aleksandr Shokhin will likely be relieved of his post as Economics Minister.

'High-Level Source' Cited

LD0311132794 Moscow ITAR-TASS in English 1251 GMT 3 Nov 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow November 3 TASS—Aleksandr Shokhin, Russian deputy prime minister and economics minister, may be dismissed in connection with the results on the investigation into the causes of the rouble plunge on "Black Tuesday", October 11. The investigation was conducted by the state commission at the Russian Security council. This was intimated to

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ITAR-TASS by a high-ranking source in the leadership of the Russian Federal Assembly. It is yet unknown if he will vacate one of his posts or both, if he will resign of his own wish as former Chairman of the Central Bank Viktor Gerashchenko of if he will be dismissed as former acting Finance Minister Sergey Dubinin.

Observers believe that Yakov Urinson, first deputy economics minister, stands chances to become economics minister. He is known to economists as "Gaydar's creature" and to this day maintains close contacts with the leader of "Russia's Choice". Although Urinson is a monetarist and a consistent supporter of the market economy, last month he insisted on the need of a presidential decree restricting the growth of the fund of consumption of enterprises or, plainly speaking, freezing wages.

Yeltsin Fires Currency Control Head

LD0311102094 Moscow ITAR-TASS World Service in Russian 1000 GMT 3 Nov 94

[FBIS Translated Text] Moscow, 3 Nov (ITAR-TASS)—Viktor Krunya, head of the Russian Federal Currency and Export Control Service, has been dismissed from his post for allowing the critical situation on the financial market in October 1994, which posed a threat to Russia's economic security. Russian President Boris Yeltsin signed the relevant decree today.

Candidates for Finance Minister Named

MM0211160594 Moscow IZVESTIYA in Russian 3 Nov 94 p 1

[INTERFAX report: "Ministry of Finance Waits"]

[FBIS Translated Text] According to reports from informed sources, one of the likely candidates for the post of minister of finance is Vladimir Panskov, an official of the Russian Federation President's Staff. "Mezhekonomsberbank" Vice President Sergey Gorbachev is another likely candidate for the post of head of the Ministry of Finance.

Vavilov Given 'Severe Reprimand'

LD0311094394 Moscow ITAR-TASS World Service in Russian 0845 GMT 3 Nov 94

[FBIS Translated Text] Moscow, 3 Nov (ITAR-TASS)—By instruction of the government of the Russian Federation, dated 1 November 1994, Andrey Vavilov, first deputy minister of finance of the Russian Federation and interim acting minister, has been given a severe reprimand "for allowing a critical situation on the finance market in October 1994 which posed a threat to the economic security of the Russian Federation." Earlier, Sergey Dubinin was dismissed as acting minister of finance of the Russian Federation and also from the post of first deputy minister of finance of the Russian Federation, while Viktor Gerashchenko resigned as head of the Central Bank of the Russian Federation for the same reason.

The Russian Security Council, meeting on Wednesday, reached the conclusion that the 11 October collapse of the ruble "was detrimental to the course of reforms, to the stability of society, to the standard of living of a significant part of the country's population, and to Russia's prestige abroad." In the view of the Security Council, the public should be compensated for its losses.

This statement is contained in an official report on the Russian Federation Security Council meeting, and was circulated by the president's press service.

Chernomyrdin Tasks Shokhin With Reform Council

LD0311110594 Moscow Mayak Radio Network in Russian 0730 GMT 3 Nov 94

[FBIS Translated Text] At today's meeting of the government Viktor Chernomyrdin described the government's view of the results of hearings in the Duma. Our correspondent Valeriy Kiosa reports by telephone:

[Kiosa] Thank you. The government meeting started only 30 minutes ago, and to start with Viktor Chernomyrdin spoke about the results of the Duma hearings, quite some time after they had taken place. First of all, the prime minister stated the need to hold a separate government meeting to examine all the proposals—constructive proposals, naturally, one would assume—expressed at the hearings. Viktor Chernomyrdin spoke in favor of a new level of interaction with the parliament, primarily with regard to legislation. In this respect, he drew his colleagues' attention to such draft laws as those covering the budget and tax reform and boosting private investments, including foreign ones. The prime minister stressed specifically the need to submit a draft federal law on the Russian Federation Government to the State Duma as soon as possible. After all, this is the basis of any cabinet of ministers' work but it has not been built yet, as became clear.

The prime minister then said that government members should make a critical appraisal of their own work with State Duma deputies and work on legislation. The prime minister believes it is necessary to establish relations of partnership with the parliament and to continuously clarify the government's position in the State Duma. Viktor Chernomyrdin therefore spoke in favor of each ministry being represented in the State Duma by a deputy minister, their main job being to maintain contacts with deputies. According to the prime minister, he will meet with the heads of State Duma groups every two-three months. Similar clear schedule for meetings should be drawn up for all government members.

And yet another thing. The Economic Reform Council, which was set up quite a long time ago, has not yet

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started work, and in the prime minister's view, the issue has been inexcusably dragged out. He expressed hope that his Deputy Prime Minister Aleksandr Nikolayevich Shokhin will finally make the Council work. On the whole, the prime minister believes, there is a basis for constructive interaction with the Duma, while it is at least counterproductive to calculate who has won or lost, and how much, following the Duma hearings.

On the whole, we can conclude that despite the emotional outbursts which were noticeable during the hearings, the prime minister said, the government is keen to work in close contact with the State Duma.

Chernomyrdin Meets Commercial Bankers

LD0211185694 Moscow ITAR-TASS in English 1703 GMT 2 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 2 TASS—Russian Premier Viktor Chernomyrdin met with heads of Russia's largest private commercial banks behind closed doors on Wednesday.

According to well-informed sources inside the government, they discussed issues related to coordination of their actions with a view to stabilizing Russia's financial market, reinforcing the national currency and preventing developments of the Black Tuesday (October 11) from reiterating. On that day, panic at the Moscow Interbank Currency Exchange resulted in a sharp fall of the ruble against the U.S. dollar.

Obviously, participants in the meeting discussed the results of an investigation into the developments of October 11, which were made public on Wednesday. Earlier, Russian President Boris Yeltsin ordered to form a commission led by Oleg Lobov, secretary of the Security Council, to hold the investigation.

Yeltsin Edict Amends Precious Metals, Gemstones Edict

MM0211170994 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 94 First Edition p 4

[Russian Federation President's edict No. 2041 "on the introduction of changes to the Russian Federation President's 3 June 1993 Edict no. 849 'on Enhancing State Control over the Issue and Sale of Precious Metals and Gemstones'"]

[FBIS Translated Text] With a view to ensuring state control over the issue and sale of precious metals and gemstones I decree:

1. That the following changes be introduced to the Russian Federation president's 3 June 1993 edict no. 849 "on enhancing state control over the issue and sale of precious metals and gemstones" (anthology of acts of the Russian Federation president and government, 1993, no. 23, page 2109):

points 1 and 2 should read as follows:

"1. The issue of gold from the Russian Federation state precious metals and gemstones fund to carry out operations on the foreign and domestic markets and the release of other precious metals and gemstones from this fund over and above the volumes set in the annual plans (limits) for their issue approved by the Russian Federation Government and for aims not stipulated by this plans should be at the decision of the Russian Federation president on the basis of a representation from the Russian Federation Government.

"This representation should contain information about the total quantity of the relevant assets stored in the Russian Federation state precious metals and gemstones fund at the time the representation is dispatched and about their planned receipts, the existence of state debts to the issuers of assets, the specific ways in which it is planned to spend the money from the planned operations involving the assets, and also the actual fulfillment of previous decisions of the Russian Federation president on these issues.

"2. That it be established that operations involving precious metals in cases not envisaged by point 1 of this edict are implemented through fully empowered banks and the 'Almazyuvelireksport' foreign trade association by the decision of the Russian Federation Government;"

in point 3 the words "Council of Ministers," "of the Council of Ministers" and "to the Council of Ministers" should be deleted.

2. The Russian Federation president's 26 July 1993 edict no. 1141 "on the introduction of additions and amplifications to the Russian Federation president's 3 June 1993 edict no. 849" (collection of acts of the Russian Federation president and Government 1993, no. 31, page 2840) be deemed invalid.

3. This edict enters into force on the day it is signed.

[signed] Russian Federation President B. Yeltsin, Moscow, Kremlin, 28 October 1994.

Oil Exporters Union Proclaims Marketing Policy

MK0211124094 Moscow KOMMERSANT-DAILY in Russian 2 Nov 94 p 9

[Report by Nelli Shmakova, Svetlana Sukhova: "The Newborn Has Loudly Made Its Presence Known"]

[FBIS Translated Text] A meeting of the recently established Union of Russian Oil Exporters took place in the Foreign Economic Relations Ministry [FERM] collegium hall yesterday. Participants discussed the general strategy of action for the newborn union, and elected its executive director.

It will be recalled that this summer the FERM announced that as of now it intends to regulate strategic material export deliveries in close collaboration with the

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sectoral associations of exporters, and to render them comprehensive assistance and support. The FERM's motives are quite obvious. After the presidential edict canceling export quotas and licenses, the FERM's positions in controlling the export of raw materials were shattered. Therefore the establishment of close contacts with the sectoral unions will mean that the FERM will preserve part of oversight functions—at any rate, indirectly. It is no wonder, therefore, that the leadership of all these unions includes the well known names of former and current chiefs of ministry subdivisions. At the same time, it is clear that control of the export flow is also part of the plans by major enterprises in the raw material production sectors.

It was noted at the meeting that the aim of the newly created union (just like of all others) is primarily coordination of foreign trade activity (coordination of pricing policy, upholding the interests of its members on foreign markets, and so forth). The union no doubt intends to uphold the interests of its members also within the country, including in the process of making major government decisions. True, some results are already in evidence: The special oil and oil product export procedures will be preserved also in 1995. Furthermore, Oleg Davydov, chairman of the Oil Exporters Union and foreign economic relations minister, said that the organization's objectives include the promotion in the government of corresponding programs to expand access for Russian goods to foreign markets. In particular, the union intends to target the East European market. According to Davydov, Russia has "virtually lost" this market: Only five years ago, 60 million tonnes of Russian oil was annually supplied to the region as against below 20 million today. Thus, oil deliveries to Poland have shrunk to 5 million tonnes from 12 million; and to Bulgaria, to 1.5 million tonnes from 10 million. At the same time, in the Czech Republic and Hungary, Russia is being actively squeezed out by the Persian Gulf and North Sea countries (for instance, a new pipeline from Ingolstadt is being currently laid to this region). As a result, if Russia loses the East European market (considering its geographical proximity and the well-running pipeline transportation system), this could seriously affect the balance of the country's foreign trade and, according to Oleg Davydov, "will be a little worse than Black Tuesday."

The union's immediate plans include distribution among its members of unfilled 1994 quotas and orders for deliveries under intergovernment obligations. Yesterday's meeting culminated in the election of the executive director of the Oil Exporters Union: Anatoliy Yushkin, former chairman of the All-Union Association Mashinimport.

Inflation Figures Cited for 18-25 Oct

MM0311122594 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 94 First Edition p 3

[Report based on figures from center for the economic situation price analysis and forecasting administration: "Stocks Become More Expensive Closer to Winter"]

[FBIS Translated Text] Over the past week inflation has been 3.1 percent—a high enough weekly figure this year.

Last week foods increased in price 3.9 percent, nonfood goods prices rose 2.8 percent, and the cost of paid services 1.2 percent. Proceeding from these weekly price growth rates preliminary calculations show that inflation in October will be 15-16 percent.

Throughout Russia the dynamic of consumer prices was fairly even. The biggest change in prices was noted in the Central and Volga Regions—3.6 percent—and the smallest in the East Siberian Region—1.8 percent.

In Moscow and St. Petersburg consumer prices for goods and services increased at the average Russian level and their increase last week was virtually identical, about 3 percent.

Moscow and St. Petersburg Are Outsiders

In organized trade prices for food rose 3.8 percent (13.8 percent since the start of October) and in unorganized trade 4 percent (11.5 percent). As before prices for sugar, eggs, and vegetable oil are increasing more rapidly. Over the past week the price of sugar increased 9.2 percent, the price of eggs 8.6 percent, and the price of vegetable oil 8.3 percent.

Over the month prices for vegetable oil rose 36 percent, sugar prices rose 35 percent, egg prices 30 percent, the price of salt rose 19 percent, and the price of fruit 18 percent.

Foodstuffs increased in price most markedly in the Urals and Far East Regions—by about 5 percent. The Central, Volga, Central Chernozem, and West Siberian Regions are not far behind—here food prices rose 4.3 percent.

The average cost of a selection of 19 of the most important foods as of 25 October was 72,400 rubles [R] for a month and increased 4 percent over the week, 14.5 percent since the start of the month, and 140 percent since the start of the year. The cost of this selection at organized trade prices was R70,700 and at unorganized trade prices R91,000. The correlation of the cost of the selection at unorganized and organized trade prices was as always a factor of 1.3.

The cities of the Far East Region remain the most "expensive" in terms of the cost of the selection: Yuzhno-Sakhalinsk with R199,000, Magadan with R193,000, Nakhodka with R144,000. And the "cheapest" city is Ulyanovsk—R39,000.

The cost of the selection of 19 of the most important foodstuffs in Moscow on 25 October was R85,600 and in St. Petersburg R77,400. Moscow comes 24th and St. Petersburg 33d in the list of cities observed.

Wallpaper, Medicines, and Matches Are the Sorry Leaders

From 18 through 25 October the increase in prices for nonfood goods was 2.8 percent, which is half as much as

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the previous week. Since the start of the month nonfood goods have increased 13.4 percent in price. As before prices for wallpaper, detergents, medicines, and matches have been increasing more rapidly—4-5 percent a week. The increase in the cost of these goods since the start of the month is about 20 percent and 300-400 percent since the start of the year, while the overall increase in the price of nonfood goods has been 120 percent. Moreover, over the past week prices for domestic electrical goods increased 4 percent and prices for all types of textiles 3.5 percent.

Between the individual economic regions and also within them there is still a substantial discrepancy in prices for the same nonfood goods. And the discrepancy in prices for children's goods is more substantial. Thus, whereas the discrepancy in prices for men's sewn and knitted goods and for shoes in various Russian cities is a factor of 3-5 and the discrepancy in prices for women's articles and shoes is a factor of 4-8, for children's goods it is a factor of 6-9. The discrepancy in prices for woolen, silk, and cotton textiles is a factor of 5-9. A considerable difference in prices can also be noted in goods for the home—a factor of 4-13. There is an even bigger discrepancy in prices for individual types of medicine—a factor of 11-85.

Between individual cities inside economic regions the biggest discrepancy in prices is also noted for fuel. For instance, prices for coal in the cities of the Far East differ by a factor of 148 and in the Volga-Vyatka Region cities by a factor of 133, while prices for logs in the cities of East Siberia varied by a factor of 97 and in the Far East by a factor of 84. At the same time the discrepancy in prices for coal and logs in the Northwest Region is a factor of just 1.3 while the discrepancy in coal prices in the North Caucasus region was a factor of 3 and prices for turf bricks in the cities of the Central Chernozem and Urals regions do not differ at all.

Cabinet Cuts Number of Businesses Requiring Licences

LD0311130794 Moscow ITAR-TASS in English 1231 GMT 3 Nov 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 3 TASS—A draft resolution was passed today by a cabinet session, projecting a tenfold reduction of the number of license-requiring activities in Russia, from 1,143 to 70.

Prime Minister Viktor Chernomyrdin spoke at the session, stressing that a license law was needed in the nearest future. The governmental resolution will be in effect before the law is passed.

Chernomyrdin said there was a need for broadening eligibility for licensing and for an inventory of activities to be licensed locally.

The resolution does not apply to activities which are licensed under Russian statutory acts and presidential decrees. These include banking, television and radio broadcasting, notary, private detective and guarding services, trading in excised goods, use of mineral resources, and the customs service.

Private Investment May Solve Economic Crisis

MM0311142594 Moscow ROSSIYSKAYA GAZETA in Russian 1 Nov 94 First Edition p 3

[Article by Mikhail Delyagin, Staffer of the Russian President's Analytical Center: "Hopes Pinned on the Private Property Owner. Nonstate Investments Will Help Extricate the Russian Economy from the Crisis"]

[FBIS Translated Text] **The economic crisis in Russia is increasingly assuming a structural character.**

It is indicative that the structure of demand is being shaped by "young" capital, primarily commercial and financial capital, which came into being during the period of the intensive development of market relations. It is due to the activeness of that capital that the services sphere now accounts for over 50 percent of GDP. But the structure of supply is mainly determined by the structure of this country's production, which was shaped in the totalitarian society to serve its needs.

The discrepancy between the structure of production and the structure of demand also predetermines, on the one hand, the high level of commodity import and, on the other, the difficult situation of Russian producers. The "new" demand is only just beginning to form the new productions units which serve it but is already depriving the "old" inefficient sector of the economy of the mean of survival.

This is an objective process which is reflected politically in the vigorous attacks by representatives of the least viable sectors (in particular agriculture and some areas of machine building) on the government. The representatives of this political tendency, headed by Skokov and Glazyev, are demanding preferential credits and extensive direct funding from the government and essentially that restructuring be frozen. That is reflected in the demand that all production capacities, even if they produced output which no one wants, should be guaranteed a 65-70 percent workload. It is worth recalling here that in the "prosperous" years of stagnation production capacities' workload averaged around 80 percent.

There is a logic to this position. Supporting inefficient production units and postponing their day of agony will give enterprises time for possible modernization and give workers time to find new jobs. However, that kind of thing will happen of its own accord irrespective of whether individual state figures—under pressure from lobby groups—like it or not. They can slow down and soften the destruction of inefficient sectors (at the cost of slowing down the development of the rest of society) but they cannot wittingly stop this objective process. The

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state's main task today is to create a new production structure which corresponds to the demand structure of commercial capital.

World experience shows that the uncoordinated nature and internal competition of commercial capital prevent it from resolving this task independently. The state must encourage and insure its efforts so that private investments can absorb the workforce made redundant as the old production base disintegrates.

The broad solution of the previous main task—curbing inflation—and the appearance of a new and fundamentally important aim mark the end of the first stage of the reforms—price liberalization and stabilization. The second stage is now beginning—overcoming the depressed state of development as quickly as possible, launching economic growth, and ensuring Russia's real return to the club of world powers.

The government's new program for the period 1995-1997 must also correspond to the new stage of the reforms. The program's authors proceed from the premise that it is impossible in principle to resolve the new tasks using only the old, purely financial methods of macroeconomic stabilization alone. Of course, a moderately tough financial policy is necessary. Of course the state must live according to its means—it must reduce the state budget deficit as much as possible and finance it primarily by noninflationary methods (including the floating of state securities).

After a certain point, however, a tough financial policy alone without the corresponding structural investment policy leads toward the worsening of the situation, the destabilization of production, an ominous growth in unemployment, and the contraction of the national economy. All these factors serve to reduce the tax base, increase the state budget deficit, and accelerate inflation. That is the achilles' heel of the monetarists, who did not want to burden themselves with sorting out specific problems of economic practice.

At the same time the return to the unregulated issuing of budget funds and preferential credits will inevitably lead the country back to the chaos of inflation and reduce the population's living standard even further. Even the comparatively mild inflationary boost to the economy in July and August which occurred under pressure from the lobby groups led to a currency and political crisis. That must not happen again.

The solution is to reinforce the moderately tough financial policy by stimulating business activity, first and foremost the activity of efficient, that is to say, primarily nonstate investments.

How might that turn out in practice? Let us cite the example of a "dead-end" sector—agriculture—which continues to be a heavy burden on the state budget and which to a large extent provoked the wave of inflation and political instability in the fall.

The impact of that wave might have been mitigated in the whole of the preceding period by means of such a stock measure as the issue of credit on surety of output yet to be produced. Then if the credit is not repaid the creditor takes possession of the corresponding proportion of the harvest that his money was used to grow.

Another very simple operation is futures dealing, that is, the advance sale of a crop, which is already being widely used on Russian territory by foreign companies which export Russian agricultural produce.

Another effective measure could be to put land into financial circulation, using it as surety against a loan and thus creating a firm foundation for nonstate financial support for agriculture. There is absolutely no need here to introduce the right of private ownership, that is, the right to buy and sell land, which is meeting with political opposition. An alienable long-term lease is sufficient.

Finally there is an extremely long-term measure which could substantially increase confidence in the state—the insuring of a specific political risk, the state's failure to keep its economic promises. Of course, there are only a few insurance companies plus the state itself which could handle that kind of insurance today.

In the present economic and political situation our future will depend on encouraging nonstate investments just as two years ago it depended on curbing inflation, and before that on the consistent liberalization of prices.

Military, Nuclear & Space Issues

Grachev Aide Says Burlakov 'Suspended'

MK0311090094 Moscow SEGODNYA in Russian 3 Nov 94 p 2

[Report by Yuriy Golotyuk in the "Reaction" column: "General Burlakov May Yet Take Up His Post Again. General Grachev So Far Does Not Feel the President's Distrust"]

[FBIS Translated Text] Yelena Agapova, aide to the Russian Federation defense minister, speaking, in her own words, on behalf of General Grachev, told SEGODNYA's correspondent that the public's stormy reaction to the edict signed by President Yeltsin 1 November bearing on Colonel General Matvey Burlakov, deputy chief of the military department, was due mainly to a misinterpretation of the document.

"This is not Burlakov's resignation—merely his suspension from office," Agapova stressed. "The presidential edict temporarily relieves the colonel general of his duties and places him at the defense minister's disposal." Gen. Burlakov will stay on the military department's payroll pending the completion of investigation into charges leveled against him, whereupon he will either resume his post as deputy minister or "some other decision will be made." According to the minister's aide,

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she does not know about the time frame of the investigation: It is being conducted by the Prosecutor's Office, while the defense minister is not taking part in it. Agapova said that the presidential edict did not come as a surprise to Pavel Grachev: According to her, Matvey Burlakov has himself repeatedly asked the minister temporarily to suspend him from his post while the investigation proceeded.

The State Duma's reaction to the presidential edict was much sharper. As Sergey Yushenkov, chairman of the parliament defense committee, said yesterday, "President Yeltsin's decision about Matvey Burlakov's resignation is absolutely correct. I suppose that in this situation Pavel Grachev must resign, and then the objective proclaimed in the president's edict about defending the honor and reputation of the Armed Forces will be achieved."

True, according to the minister's entourage, "one should not expect one edict to be followed by another" (i.e., that the "Burlakov" edict will be followed by a "Grachev" one). Commenting for SEGODNYA on rumors about the possibility of an early resignation of her boss, Yelena Agapova recalled that Pavel Grachev himself said that he will resign only "if he feels that the president no longer trusts him." And explained that so far the defense minister has no such feeling.

Burlakov Dismissal 'No Surprise' to Grachev

MM0311105594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 3 Nov 94 p 2

[Report "Based on RIA and POSTFACTUM Information" under the rubric "Look Who Has Gone": "The President Has Dismissed the Deputy Defense Minister"]

[FBIS Translated Text] "The dismissal of Colonel General Matvey Burlakov came as no surprise to Defense Minister Pavel Grachev," Yelena Agapova, the minister's assistant for public and press relations, announced. "Burlakov had recently asked the defense minister on several occasions to release him temporarily from his official duties while the alleged cases of corruption in the Western Group of Forces are being investigated."

"Public opinion cannot be ignored, it has to be taken into account," was how Lieutenant General, Retired, Viktor Ustinov, chairman of the State Duma Committee for Geopolitical Issues, commented on the dismissal of Deputy Defense Minister Matvey Burlakov. In Ustinov's opinion, corruption in the Army and the law enforcement organs has reached such a degree that the toughest measures are needed to combat it, even to the point of dismissing top-ranking leaders.

"As for Burlakov specifically, I would not want to draw any hasty conclusions about his involvement in any shady deals. I do not have the necessary information for that, but if accusations are made against him it is necessary to respond to that," Ustinov stressed. "Furthermore, his age counts against him too," the chairman of the Duma committee added.

In the opinion of Sergey Yushenkov, chairman of the State Duma Defense Committee, "the aim stipulated in Boris Yeltsin's edict on Burlakov's dismissal—protecting the honor and dignity of the Armed Forces—will be achieved" only when Pavel Grachev resigns.

"It would seem that the aim has been achieved and that we should be content with that. But the price paid for Burlakov's dismissal—the death of MOSKOVSKIY KOMSOMOLETS journalist Dmitriy Kholodov—was too high," Yushenkov said. He hopes that during the hearings which will be organized by the defense and security committees of the two chambers of parliament "a fuller picture of the cases of corruption in the Western Group of Forces will emerge."

Yushenkov also said that the parliamentary hearings into the cases of corruption in the Western Group of Forces will be held in mid-November even though the decision to hold them was adopted in connection with Burlakov's appointment to the deputy minister's post. It is assumed that Yuriy Boldyrev, former chief of the Russian President's Staff Control Administration and author of the report on corruption in the Western Group of Forces, will testify at the hearings. Yesterday Pavel Grachev also confirmed his firm intention to address the Duma. It is not difficult to guess what kind of questions he will be asked.

Paper Links Kholodov Murder, Burlakov Removal

MM0311125994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Nov 94 pp 1-2

[Feature by the KOMSOMOLSKAYA PRAVDA Political Desk: "Wholesale Sellout of Motherland Punishable By Dismissal?"]

[FBIS Translated Text] It is 17 days since the tragic death of MOSKOVSKIY KOMSOMOLETS journalist Dmitriy Kholodov. From the very outset his murder case has been linked to the investigation into corruption within the Western Group of Forces [WGF]. The Defense Ministry has denied this. Nonetheless, the other day Matvey Burlakov, formerly WGF commander in chief, was removed from his position as Russian Federation deputy defense minister. What next?

"Relevant" Organs Muddying the Waters

The Lubyanka has not given journalists any official information connected with the investigation into the circumstances surrounding Dmitriy Kholodov's death, stating that "the case is being handled by the Prosecutor's Office." "We can only say that we take the most serious attitude toward everything that has happened," Vladimir Tomarovskiy, deputy chief of the Federal Counterintelligence Service [FCS] Public Relations

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Center, said in conversation with a KOMSOMOLSKAYA PRAVDA correspondent. "The situation is under the control of the FCS director."

We were told by the Russian Federation General Prosecutor's Office that the case of the crimes committed by WGF military officials in Germany is being conducted by two subunits—the General Prosecutor's Office Investigations Administration and the Main Military Prosecutor's Office. The main case has been passed to the Main Military Prosecutor's Office.

Mikhail Yegorov, first deputy minister of internal affairs and chief of the Main Administration for Combating Organized Crime:

"With regard to Dmitriy Kholodov I can say that this was an act of terrorism. It is one of the criminal cases which the FCS is handling. We have set up our own group as well and are helping the FCS to unravel the range of his contacts. But the bulk of the investigation, I repeat, is being done by the FCS."

MOSKOVSKIY KOMSOMOLETS Editorial Office Cannot Locate Lost Kholodov Documents

It is well known that, following the bombing at the MOSKOVSKIY KOMSOMOLETS Editorial Office which resulted in the death of Dima Kholodov, staffers from the militia, the Prosecutor's Office, and the FCS arrived on the scene. It transpired that the "visitors" removed from the editorial office all documentation with even an indirect bearing on Dima's death and the investigations into it. Who received them—Prosecutor's Office staffers or people who exploited the situation to try to cover their tracks?

Pavel Gusev, MOSKOVSKIY KOMSOMOLETS chief editor:

"Those who carried out the investigation at the editorial office following the incident included people we knew—people we had met before. Nobody checked their ID. But among those investigating the crime scene there were also three or four people whom nobody knew.

"It transpired that all the documents in the office of Vadim Poegli, political desk editor (it was there that Dmitriy Kholodov opened the booby-trapped briefcase—Editor) were removed. Finally, the diskettes on which Dima recorded information and his personal bag were taken from Kholodov's desk. We put some questions to the General Prosecutor's Office investigators about the confiscated documents. The responses were pretty incomprehensible. Allegedly, the documents are currently undergoing expert examination or are being investigated.

"As the newspaper's editor I made a personal appeal to the investigating organs to copy the information on Dima Kholodov's diskettes for the editorial office's internal use, so that it could carry out its own independent investigation. The response was negative."

At the end of the conversation Pavel Gusev practically repeated the appeal he had made to the Prosecutor's Office organs: "We will not impede the investigation in any way, but we would like to have some news of its progress. I will take personal responsibility for the nondisclosure of material relating to the investigation."

Insofar as the KOMSOMOLSKAYA PRAVDA Editorial Office is aware, the General Prosecutor's Office response to Pavel Gusev's appeal was negative.

Defense Ministry Sees Dismissed Burlakov as "Fall Guy"

For many (or all?) at the Defense Ministry—even those on the fifth (ministerial) floor of the military "White House"—the news of the removal of Colonel General Matvey Burlakov was indeed news. Yesterday people in offices throughout the Defense Ministry were discussing the reason why the Russian president had removed from the levers of power a man whom he had until recently warmly embraced in public. The wording of the presidential edict was so "vague" as to allow broad scope for different theories.

Most high-ranking military men believe that Burlakov—although of high rank and well-paid—has been the "fall guy" in mafia clashes at the highest, state level. During the "wholesale sellout of the motherland on a particular large scale" that began on German territory under Gorbachev and Shevardnadze there was a clash of interests between very different people—from government members to popular singers. Burlakov, willingly or not, gave a "green light" to certain groups and groupings, while simultaneously blocking others.

Whether Matvey Prokopyevich himself was "on the take" or not is for investigative organs to decide. But now the general is paying off other accounts. Far more has been lost and squandered in the WGF than the sums required to buy 10 Mercedes. The amounts at stake have been and are enormous—consequently, the retribution will be major too. Burlakov may just be the first to be overtrumped. Who will be next?

Some time has already passed since Dmitriy Kholodov's tragic death. Despite this, no interdepartmental commission to investigate corruption within the WGF has been set up. There has not even been any mention of any information on the progress of the investigation into the MOSKOVSKIY KOMSOMOLETS bombing. Moreover, any attempts to publicly monitor its progress have been stopped. Everything is being done to ensure that this political murder that shocked Russia is forgotten as quickly as possible.

The authorities' behavior shows that the killers may yet again go unpunished, while the thieves and bribe-takers who have reached the summit of the Russian state will continue to dictate their thieving laws to us.

But there are far more honest people in Russia. Should we really be putting up with this?

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Matvey Burlakov heard the news of his dismissal 1 November somewhere in the Leningrad Military District and Northern Fleet region, where he had flown to carry out an inspection together with a group of General Staff officers. At least initially, according to A. Lebed, the colonel general had been planning to fly to the Dniester Region to inspect the 14th Army, but he was given the brush-off by the commanding lieutenant general. Lebed called Burlakov a "cheat." The combat readiness of armed forces in which a subordinate essentially sends away a superior who was planning to conduct an inspection is something you can judge for yourselves. Giving Lebed's courage its due, we would note that Russia has gotten the type of Army it has built. This kind of anarchy did not exist even among the troops of Old Makhno [counterrevolutionary leader in Ukraine 1918-1921].

One second point—according to Yeltsin's edict, Burlakov remains "at the Defense Ministry's disposal." In other words, Grachev can now appoint him his adviser, leaving him in the same office, with the same salary, and with the same staff of aides, orderlies, and so forth. Given the long-standing cordial attachment between the generals, we can assume that this is what will happen. People are trying yet again to dupe the public, when it was allegedly to reassure us that Yeltsin signed his edict.

After B. Yeltsin called Grachev the best defense minister, Colonel Serafim Yushkov, chief of the CIS Military Cooperation Coordination Headquarters, sent an open letter to the Russian Federation president.

Grachev's reaction was not long in coming. According to a report from a highly placed Russian Federation Defense Ministry apparatus officer, when the defense minister returned from the Far East 1 November he ordered his deputy, B. Gromov, and V. Zhurbenko, first deputy chief of the General Staff, to draw up proposals within 10 days on a 30-percent cut in the [CIS Military Cooperation Coordination] Headquarters staff.

Nobody has any doubts that Grachev will have his revenge for Yushkov's letter—after all, the minister's moral qualities are known not only from Yeltsin. But, however terrifying and fearsome the defense minister of Russia (just one of the CIS states) may be, he cannot interfere in the activity of an interstate organ whose structure and size are determined by the CIS Heads of State Council. Even as chairman of the CIS Defense Ministers Council (which he holds temporarily until the end of 1994, incidentally), he is not entitled to personally decide to essentially wind up the only interstate military structure.

Incidentally

"The appearance of the presidential edict came as no surprise to Army General Pavel Grachev," Yelena Agapova, the defense minister's public relations and press assistant, said. "Colonel General Matvey Burlakov has not been dismissed [snyat] as deputy minister, but temporarily removed [otstranen] until the checks into WGF affairs are complete."

Gen Lebed Welcomes Burlakov's Dismissal

MM0311125594 Moscow TRUD in Russian 3 Nov 94 p 1

[Unattributed report under the general heading "Not Only Lebed Elated by President's Edict"]

[FBIS Translated Text] General Aleksandr Lebed, commander of the 14th Russian Army, has assessed the Russian president's edict on the dismissal of Deputy Defense Minister Matvey Burlakov as "a victory for common sense and justice."

In an interview with ITAR-TASS yesterday, Aleksandr Lebed stated that the sooner a moral cleansing takes place in the Armed Forces, "the stronger the Army will be, and with it, the Russian state as well." Earlier Aleksandr Lebed told journalists with his characteristic forthrightness that he would not allow Matvey Burlakov—who had been planning a tour of inspection to the 14th Army—into Tiraspol.

Officers Union's Terekhov Speaks of Plan To Kill Grachev

MK0311085094 Moscow NEZAVISIMAYA GAZETA in Russian 3 Nov 94 p 2

[Report by Ye.K. under the "Opposition" rubric: "A Version of Attempt on Pavel Grachev's Life"]

[FBIS Translated Text] Stanislav Terekhov, chairman of the Union of Officers, said in a press conference yesterday that the "physical elimination of Russian Federation Defense Minister Pavel Grachev is being prepared. [no closing quotation marks as published] According to Mr. Terekhov, the incident would be blamed on the Union of Officers. Mr. Terekhov declined to reveal any details of the contemplated assassination attempt, stating only that he had received the information from "competent organs."

According to leaders of the Union of Officers, while patriotically minded military feel no sympathy whatever for "the present corrupt leadership of the Defense Ministry," they intend, however, to fight it by different methods. It is expected that a statement containing demands for the immediate resignation of Pavel Grachev will be adopted at a Moscow conference of the Union of Officers to be held 5 November. Besides, the cases of Messrs. Grachev and Burlakov will be considered by an officers' court of honor to be specially called.

The Union of Officers intends in the nearest future to come forward with an appeal to all Armed Forces officers to hold in January or February 1995 an All-Army Officers Meeting. The Union of Officers also intends to take part in observances for the October Revolution anniversary. It is supposed that a march will

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be held from Oktyabrskaya Ploshchad to Lubyanka where a meeting will take place at 1330. The meeting organizers hope it will be attended by at least 200,000 people.

Draftees' Poor Physical Fitness Deplored

MM0311143594 Moscow KRASNAYA ZVEZDA in Russian 1 Nov 94 p 1

[Article by Ivan Ivanyuk: "A Young People's Federal Fitness Program Is Needed To Ensure that the Army Is Manned by Sturdy Guys"]

[FBIS Translated Excerpt] [passage omitted] The fitness of citizens for military service in Moscow Oblast has fallen from 73.1 percent in 1992 to 71.2 percent in spring this year. And whereas in the past it was psychological ailments which prevailed among draftees, now illnesses affecting internal organs have moved into first place.

The region around the capital is relatively favorable, it must be said. The overall picture throughout the country is even more depressing: During the period of the spring draft this year, fitness for military service among young people across Russia fell to 67 percent. And all in all, the number of draftees exempt from the draft to military service on health grounds has doubled in the past five years.

What is the reason for this—is the nation degenerating? Of course, you cannot say that—various circumstances, including tougher criteria for recruiting to military service as compared with the old days, are having an effect on this gloomy picture. But there are also facts which speak of a deterioration in our people's gene pool, the decline in the health care system, and a fall in the living standard.

Thus, around 30 percent of teenagers examined in the northwestern region had various kinds of anemia, neurosis, encephalopathy, and other illnesses as a result of declining standard of living and vitamin and protein deficiencies. The number of young men whose names are on the lists of drug-abuse clinics because of alcoholism or drug addition has increased sevenfold in recent years. In all, 30-40 percent of draftees have a low level of professionally significant qualities, 40 percent—an inadequate standard of physical fitness, and 28 percent—an inadequate intellectual level.

Nevertheless, the most dangerous thing today, specialists believe, is the fact that essentially the system of health care for adolescents has been destroyed. After all, in the past, following treatment and preventive measures at schools, there was the possibility of bringing the health of a future draftee up to standard. Here and there doctors for young people are still working successfully even today. But, in Moscow Oblast's Odintsovskiy Rayon, for instance, this service has been abolished altogether. And the result has not been long in coming—the fitness of young people for military service fell straight away to 56-58 percent. In other words, virtually every other draftee is simply not in a position to "do the donkey work of a soldier."

We must not shut our eyes to the professional skill of the doctors involved in working in military physicians' commissions either, as it is frequently low. Sometimes even 80-year old doctors are sent to examine "strapping young guys." In Moscow Oblast, for instance, 340 doctors are involved in the draft campaign. If each one of them makes just one careless or deliberate mistake in his diagnosis—it is easy to calculate how many soldiers short the Army will be. And on the scale of the whole of Russia? Or, conversely, someone will go to perform service who is unfit to do so.

For example, over 19,000 people with an insufficient body weight were discovered among the younger generation drafted into the Armed Forces in 1993. On the instructions of the Ministry of Defense Main Military-Medical Directorate, a special order of the minister of defense on the distribution of extra food was issued. How many unusual worries of this sort does the Army have to take on itself following every draft now?

"The whole point is that there is no effective system of collaboration between ministries and departments participating in the training of young people for military service," Colonel General of the Medical Service Ivan Chizh, chief of the Russian Federation Ministry of Defense Main Military-Medical Directorate, believes. "We have raised this matter at parliamentary hearings, and met with understanding and support. Work on a new statute on military-medical examinations is being concluded, and the draft of it stipulates, notably, that the Army and Navy should be manned only by a healthy contingent."

It appears that our society is beginning to realize that, in the face of the market economy, the health of the people is a national asset. For the first time in history, Russia has presented a national report "On the Sanitary-Epidemiological Situation in the Russian Federation in 1993" to international organizations. Medical insurance is being introduced, which should provide extra sources of funding for health care. But the recruitment of young people to the Armed Forces is still proceeding with difficulty, and it kind of remains a matter of secondary importance for the authorities.

Meanwhile, as the facts testify, the situation here is alarming, and, according to specialists, requires urgent radical measures. Specific proposals have even been made: To elaborate and ratify a Federal Targeted Program for Improving the Health of Young People, which envisages, among other measures, the creation of treatment-sanitary centers and diagnosis centers for teenagers, and health schools. In the future we also need a law on maintaining the health of young people, which exists in the majority of developed countries. Service in the Armed Forces is a state matter, and must be the focus of the most intense attention at state level.

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'Safe' Nuclear Waste Processing Developed

MM0311094594 Moscow ROSSIYSKAYA GAZETA in Russian 28 Oct 94 Weekend Edition p 14

[Article by Albert Valentinov under the "Theory of Improbability" rubric: "Reactor Without Radiation. Sensation in Nuclear Power Generation"]

[FBIS Translated Text] Russian scientists have created a safe nuclear station which, moreover, processes deadly nuclear waste into preparations needed in medicine.

For many years the country's leadership directed the development of nuclear power generation according to principles dictated not only by economic priorities but also to a considerable degree by political priorities: To overtake everyone and prove to the world the advantages of the system. Many people still recall N.S. Khrushchev's assurances that nuclear power stations would be operating in almost every settlement.

The task seemed clear then: To "harness" the peaceful atom and, with its help, finally make mankind happy with an abundance of inexpensive and ecologically clean energy. Having resolved one problem, they postponed another: How to make ourselves safe from radioactive waste?

"The elimination of radioactive waste has several solutions," Doctor of Technical Sciences Oleg Shvedov, deputy director of the Russian Academy of Sciences Institute of Theoretical and Experimental Physics [ITEP], told me. "But we are physicists, and we must solve by physical methods. We must do so cardinally, according to the principle: I created you, and I will kill you."

Oleg Viktorovich portrayed the crux of the problem as such a vigorous paradox. Not one of the methods in use today for eliminating the waste of nuclear reactors provides a cardinal solution. Moreover, they add to the list of factors threatening the planet. Waste is buried deep in the ground, placed in hermetically sealed containers, set in molten glass, or simply dumped in the sea, giving rise to an international scandal. Of course, a specially allocated territory is needed for this on the earth. But if, God forbid, there is an earthquake.... So mankind's nuclear prosperity is in jeopardy. A decision to close down nuclear electric power stations has already been adopted in Sweden. Although hydroelectric and thermal electric power stations also cause palpable harm to nature, people choose the lesser of two evils....

"Thus, nuclear power generation has set two urgent tasks before mankind," O. Shvedov said. "To ensure the safe working of nuclear electric power stations themselves and to eliminate the dangerous waste from their operation. They both require considerable capital investments. This is understandable: You have to pay for safety. But, in tackling these tasks, we have suddenly discovered that it is also possible to earn good money here."

In cooperation with a number of Russian and foreign research organizations, the institute's collective has been tackling both these tasks for two decades now. It is not surprising that the ITEP became the umbrella institute in the former Union in the so-called electronuclear sphere.

The chief advantage here is the impossibility of an uncontrolled reaction or an explosion, as was the case in Chernobyl, for example. The point is that, whereas in the reactors of conventional nuclear electric power stations a chain reaction, once started, is self-sustaining, the installation developed at the ITEP does not work without outside "replenishment." But "replenishment" requires 15-25 percent of the energy which it generates itself. This is quite a lot, of course. But, on the other hand, if there is the slightest danger or the slightest malfunction, it is sufficient, figuratively speaking, to pull the knife switch and the station will cease to function.

The main assembly of the experimental installation created at the ITEP is the linear proton accelerator installed in a nuclear electric power station instead of the traditional reactor. The beam of protons which it generates hits a target, where the protons are converted into high-energy neutrons. Depending on the speed of the beam and the substance of the target, one proton "gives birth" to 30-40 neutrons. One of the enigmatic laws of the microcosm operates here: A part can be greater than the whole. The mass of the neutrons into which a proton is converted is far greater than the mass of their "parent."

From the target the neutrons bury themselves in the so-called blanket—the main, most complex part of the accelerator, whose design in fact constitutes an object of pride for the institute. There is reason to be proud, since it is not for nothing that scientists call the study of blanket physics one of the global tasks in getting to know the world of elementary particles. It is here that radioactive substances subject to conversion or, as physicists say, transmutation end up.

"Our installation is the result of new principles, new designs, new technologies," Shvedov said. "In order to materialize all this, many local tasks had to be resolved. At present we are creating an experimental specimen of a low-power installation. But it confirms the correctness of the direction we have chosen. In the process of experimenting it has also greatly expanded the prospects which we have outlined."

These prospects relate to the conversion of certain substances into others. A clear-cut scheme became apparent right from the start of the work: The installation provides the power station's coolant, takes from it some of the electricity being generated to operate the accelerator, and neutralizes the radioactive waste from its own operation.

The radioactive waste of nuclear stations has a long "life." Hundreds of years must pass before it ceases to be

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dangerous to a living organism. But in the blanket of the installation created at the ITEP an endless kaleidoscope of transmutations begins beneath blows from furiously moving particles. Depending on the kind of waste and its processing regime, we get either short-lived radioactive substances or stable substances which do not radiate anything at all, or else the emissions themselves change—they are converted from dangerous into safe emissions.

"But this is only half the task," Shvedov said. "Waste, albeit safe waste, is useless. It still has to be put somewhere. But if it is converted into a commodity, it is possible to sell it and earn money for further experiments...."

Into what can waste be converted? Physicists have stumbled literally upon a gold mine—medical isotopes for tomography. It is not just that this makes it possible to reduce the chronic shortage of preparations. Another noble aim is also pursued here: To enhance the effectiveness and reduce the negative consequences of tomography—probably the most efficient method in diagnostics today. It is no coincidence that the institute is developing methods of positron tomography: Once the physicists set about resolving the problem, they did so in full. A very promising discovery served as the impetus for this: It turned out that it is possible to obtain a huge range of isotopes with the ITEP installation. Practically any isotopes that could ever be needed. Despite all their diversity, they will have one property in common—a short life.

"This is understandable," Shvedov said. "After tomographic investigation a patient cannot walk around for long with a radioactive 'charge,' irradiating both his own internal organs and people around him. The isotope must decay within a few hours. It is such substances that we intend to make and supply in ready forms—in the form of injections, radioactive gases for respiration, or pressed in tablets....

"Furthermore," Oleg Viktorovich added, "our associates have also developed original methods of proton therapy for cauterizing internal tumors. We have learned how to organize the cycle of conversions in such a way that we get particles which give off the maximum energy at the end of the road, so to speak. After penetrating the body and making their way to a tumor, they explode with energy inside it, as it were, without affecting healthy tissues."

This is how the problem of creating a safe nuclear source of energy developed first into the processing of nuclear waste and then into a whole applied sector. Only when will this sector attain an industrial level?

"We are greatly hampered by limited funds, since money is not provided for work 'on the side,' not related directly to power generation," Shvedov replied. "Nevertheless, we will start producing ready-made medical preparations in just two years. The accelerator created at the institute will be able to supply the whole of Moscow. And yet outside Moscow lies vast Russia, for which many such installations are needed. We are prepared to tackle this work."

Security at Nuclear Sites To Be Improved

LD0211173894 Moscow ITAR-TASS in English 1542 GMT 2 Nov 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[FBIS Transcribed Text] Moscow November 2 TASS—Russian interior troops will reinforce the guard of the national nuclear centres, Interior Minister Viktor Yerin told reporters on Tuesday. The minister also said that the interior troops will concentrate efforts to ensure law and order in Russian cities and towns, including in the emergency zones. According to Yerin, it could be done from the end of this year when the interior troops will be released from guarding labour camps.

The minister noted that the interior troops have been bearing the bulk of the burden to stabilise the situation in North Ossetia and Ingushetia. For two years, the troops have been preventing bloodshed and large armed clashes in the republics.

Yerin favoured the idea to establish military police units in the Russian Army. The realisation of the project will contribute to combatting crime in the Army, the minister added.

Docking Test Delays Cosmonauts' Return to Earth

LD0211185394 Moscow ITAR-TASS in English 1831 GMT 2 Nov 94

[By ITAR-TASS correspondent Anna Bakina]

[FBIS Transcribed Text] Moscow November 2 TASS—Cosmonauts Yuriy Malenchenko, Talgat Musambayev and Ulf Merbold will return to earth on November 4, a day later than it was originally scheduled because of technical reasons, Viktor Blagov, deputy leader of the space mission told ITAR-TASS on Wednesday.

According to Blagov, the postponement was brought about by the necessity to test one of the docking modes, which was successfully done today.

The landing capsule is to land near the town of Arkalyk in Kazakhstan at approximately 11:18 A.M. G.M.T. on November 4. A reserve site for the landing is near Dzhezkazgan.

Cosmonauts Aleksandr Viktorenko, Valeriy Polyakov and Yelena Kondakova will meanwhile go ahead with their mission on board the "Mir" orbital station.

Federal Assembly

Yushenkov Calls For Grachev Resignation

LD0211191994 Moscow INTERFAX in English 1647 GMT 2 Nov 94

[FBIS Transcribed Text] The resignation of deputy defense minister Matvey Burlakov, former commander

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of the Russian troops in Germany, must be followed by the voluntary resignation of Defense Minister Pavel Grachev, according to State Duma Defense Committee Chairman Sergey Yushenkov, Russia's Choice.

Burlakov was dismissed Tuesday by a presidential decree to protect the honor of the Russian Armed Forces, their high command and the state authority in the light of inquiry into corruption charges leveled against the country's top defense officials.

Yushenkov believes that the voluntary resignation of Grachev would improve "the moral atmosphere in and around the army." In his view, the complicity or otherwise of Grachev in the felonies reported by the press was less important than Defense Ministry's obstruction of solution to numerous problems.

Yushenkov believes that there were numerous competent and decent generals among commanders of military districts and services and in the General Staff who could take over the Defense Ministry.

He listed Deputy Defense Minister Andrey Kokoshin, General Staff Chief Mikhail Kolesnikov, Border Guard Commander Andrey Nikolayev, Marshal Yevgeniy Shaposhnikov and Colonel General Igor Sergeyev, commander of the Strategic Rocketry among such men. Yushenkov did not believe that Aleksandr Lebed, commander of the 14th Army, could become minister before he commanded a military district.

Duma Adopts Press Ownership Amendment

MM0311090094 Moscow PRAVDA in Russian 2 Nov 94 p 2

[Article by Gennadiy Seleznev: "Depriving the Authorities of Press Lackeys?"]

[FBIS Translated Text] On the initiative of the Duma Committee on Information Policy and Communications, a most important amendment has been introduced to the law on the mass media: The power structures may not be founders of newspapers or magazines. The amendment adopted by Duma deputies did not receive support in the Federation Council and was returned to the Duma. According to the Constitution it needed two-thirds of the deputies' votes in order to be reexamined.

Which is what happened. The text of the amendment went to the president for ratification. Now it is up to him to decide whether the amendment will have legal force or whether it will be vetoed. V. Shumeyko bustled about, hurriedly appealing to the president to "kill off" the amendment. The Kremlin is saying nothing at the moment, although there has been more than enough time for a decision to be made. The president's democratic values are once again being tested. After all, if he imposes a veto he will immediately be branded by the majority of the mass media for encouraging the executive to put the press in its pocket. But if the amendment is passed the president's staff can wave goodbye to ROSSIYSKIYE VESTI and the government to ROSSIYSKAYA GAZETA.

The president faces a difficult decision. If he uses his veto the Duma will immediately raise the question of setting up its own newspaper and of reorienting Russian television toward extensive coverage of the legislature's work on television and in the "Radio-Parliament" program and will encourage the establishment of newspapers and TV and radio programs by the organs of the representative powers at local level.

Regional Affairs

Experts Cite Komi Spill at 103,000 Tons

LD0211212694 Moscow INTERFAX in English 1956 GMT 2 Nov 94

[FBIS Transcribed Text] The joint Russian-American Nordeco venture found that about 103,000 tonnes of oil had leaked a pipeline in the vicinity of Usinsk, Komi Republic, sources in Arkhangelsk regional administration told the Petroleum Information Agency.

The company took air photographs of the polluted area immediately after the announcement of the disaster. By unofficial reports, Nordeco disregarded the amounts of oil in nearby lakes.

According to an Emergencies Ministry commission, a total of 14,033 tonnes leaked from the Komineft company's pipeline.

Informed sources told the Petroleum Information Agency that Alaskan Governor Walter Hickel visited Syktyvkar, the Komi capital, on November 1 and 2 to coordinate the possible aid to the affected area in dealing with the consequences of the leak. Hickel is said to intend to fly to Usinsk and later to Naryan-Mar, the administrative center of the Nenets Autonomous Area.

Yuriy Spiridonov, head of the Komi Republic, has repeatedly said that the republic did not need foreign aid to deal with the consequences of the leak while Yuriy Komarovskiy, governor of the Nenets Area, does not rule out the aid of foreign companies in preventing the spread of the oil spill from the Komi Republic.

'Winter Frosts' To Clear Spill

LD0311101794 Moscow ITAR-TASS in English 0947 GMT 3 Nov 94

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow November 3 TASS—Russia is waiting for winter frosts to begin a large-scale operation in the marshy areas polluted by a major oil spill in the northern Komi Republic, according to Evgeniy Minayev, head of the Ecology Department of the Russian Fuel and Energy Ministry.

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He told TASS on Thursday that frozen oil will be collected by excavators and carried away by trucks. No special equipment will be necessary for a clean-up, according to local experts.

Minayev said that special hydroblocking devices had been delivered in time to the spill area which decreased the possibility of polluting the Pechora River which flows into the Barents Sea. He added that the oil, which was rich in paraffin, loses its fluidity at 15 degrees centigrade. This helped to stop the spreading of the spill.

However, earlier, Russian ecologists said that oil had already got into the Pechora River. According to various estimates, the spill ranges from 14 to 64 or even to 200 thousand tonnes.

Minayev said that the "Komineft" Company, which is responsible for it, is now concentrating machinery and equipment in the area for clean-up work in winter.

The consequences of the spill are to be eliminated by next April.

Timely, Accurate Information Absent

LD0211164794 Moscow INTERFAX in English 1140 GMT 2 Nov 94

[FBIS Transcribed Text] The absence of timely and accurate information on the accident at the oil pipeline near Usinsk from the leadership of the Republic of Komi and the joint stock company Komineft, to which the pipeline belongs, was caused to a certain degree by the desire to avoid a social explosion in the region, Russia's Nature Protection and Natural Resources Minister Viktor Danilov-Danilyan declared in an exclusive interview with the Petroleum Information Agency.

In his words, during the closing of the pipeline oil "would have congealed" in the wells themselves and it would have been necessary to put them out of operation. In this case extraction of casing-head gas would be stopped. The whole local power engineering system depends upon this gas and the region could be placed on the threshold of a social explosion, Danilov-Danilyan reported.

He reconfirmed that currently the minimum volume of spilled oil amounts to 14,000 tonnes.

At the same time Danilov-Danilyan described information from Western media about the spilling of hundreds of thousands of tonnes of oil "as pure fantasy." He believes that the campaign being waged by Western media, which assesses the accident in Komi as the greatest accident of the century, (according to their data, the leakage of oil was eight times greater than that which occurred in the accident with the tanker Exxon Valdez near the Alaska coast in 1989) was stirred up in the interests of foreign oil firms. The situation in Komi, Danilov-Danilyan said, is also used to bring down the price on shares of Russian oil companies.

Explosion Damages Chechen Presidential Palace

LD0311073494 Moscow ITAR-TASS in English 0705 GMT 3 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Groznyy November 3 TASS—A powerful explosion detonated by unidentified people last night smashed windows on several floors of the presidential palace. Luckily, there are no casualties.

According to a version by Chechen law enforcement bodies which started an investigation, the mine was fixed to a window railing. However, it is highly improbable that those guilty will be tracked down, the more so, punished.

The explosion in downtown Groznyy will only add to the list of terrorist actions which remain unexposed.

Official Notes 'Safest Reactors' for New Plant

LD0211131394 Moscow ITAR-TASS World Service in Russian 0656 GMT 2 Nov 94

[By ITAR-TASS correspondent Vasiliy Belousov]

[FBIS Translated Text] Murmansk, 2 Nov—The safest reactors will be used at Kola AES-2, the second nuclear power station in the Russian polar region. This will be built near the existing nuclear station on the banks of the big Lake Imandra; a protracted public debate over whether the station was to be built on the Kola Peninsula or not ended in favor of the power engineers. The nuclear power station project has just passed it last, and toughest, test: public examination.

Petr Pigiy, the chairman of the committee for fuel and power of Murmansk Oblast's administration, said in an exclusive interview with ITAR-TASS today that the new polar nuclear power station will have VVER-640 reactors: "These units meet the strictest requirements and recommendations of the International Atomic Energy Agency (IAEA). Compared with existing stations, the Kola AES-2 project will allow us to ensure a qualitatively new and higher standard of safety for the public and the environment. This conclusion has been reached by foreign experts as well as our own, specifically, representatives of the Ravarian nuclear safety monitoring center in Germany, where a feasibility study was done on the polar nuclear power station project. Experts established that the project is entirely in line with the modern European concept of nuclear safety at power stations.

According to Petr Pigiy, preparatory work has already started at the site of the new nuclear power station. The first power set should be started up in 2003. It happens that two power sets of the old nuclear power station should start to be decommissioned by that time. This means that there will be no increase in power capacity in the area when the new power station comes on stream. The station is intended to make up the electricity the region loses after the first nuclear station, which was commissioned in 1973 and now produces more than 60 percent of all power generated in the oblast, is shut down.

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International Affairs

Kiev, London Begin Joint Oil Venture

MS0311114994 London FINANCIAL TIMES in English 3 Nov 94 p 35

[Report by Matthew Kaminski in Kiev and Robert Corzine in London: "British Partner Is First To Share In Ukraine Oil Find"]

[FBIS Transcribed Text] The first commercial oil production by a western joint venture in Ukraine is to begin later this month.

The Poltava Petroleum Company, a UK-Ukrainian joint venture, yesterday said it had successfully tested its first well in the Novo-Nikolayvskoye fields in north eastern Ukraine.

"The preliminary results are very encouraging, well in excess of what had been expected," said Mr David Davis, the company's general director in Poltava, 500km east of Kiev.

JKX Oil and Gas, the UK partner, said the well produced 2,175 barrels of oil a day and 2 million cubic feet of natural gas.

The company believed the three fields that made up Novo- Nikolayevskoye could hold as much as 60 million barrels of oil and 1,100bn cubic feet of gas. Peak daily production could approach 20,000 barrels of oil and 200 million cubic feet of gas, it said.

Full-scale development of the field would cost about $53m and would mark a small step forward in Ukraine's efforts to wean itself of dependence on Russian oil imports and exploit natural resources largely undeveloped in the Soviet era.

The former Soviet republic now depends almost exclusively on Russian oil and gas supplies—a sensitive issue in often strained Russo-Ukrainian relations.

JKX, which has so far invested $15m in Poltava, has a 49 per cent stake in the project. The rest is split between Ukragasprom, the giant state oil and gas concern, and Ukraine's State Property Committee, which directs and oversees foreign investment in state companies.

Ukraine has the option to buy 100 per cent of the oil and gas produced at world prices. But half of the revenues from domestic sales have to be converted to Ukrainian coupons.

Mr David Robson, JKX managing director, said the "forced conversion to coupons doesn't concern us that much" because the company would have significant coupon costs during the two and a half years or so that would be required to drill the 58 wells needed to fully drain the fields.

Any hard currency exports from the development would not be subject to the forced coupon conversion.

JKX's other Ukrainian venture, the Crimean Petroleum Company, is now assessing prospects in the Black Sea off the Crimean peninsula. It expected to begin exploratory drilling late next year, according to Mr Robson.

Supreme Council Chairman Comments on NPT

LD0211182794 Kiev UNIAN in Ukrainian 1500 GMT 2 Nov 94

[FBIS Translated Text] Kiev [no dateline as received]—A joint meeting of Supreme Council Commissions for Defense and State Security and Foreign and CIS Affairs has decided to discuss Ukraine's accession to the nuclear arms Nonproliferation Treaty [NPT] at the Supreme Council session before the Ukrainian president's visit to the United States scheduled for 20 November, UNIAN has learned from informal sources.

Commenting on the Supreme Council's stance on NPT, Volodymyr Mukhin, chairman of the Supreme Council Commission for Defense and State Security, said that deputies will insist on a document that will provide Ukraine with genuine security guarantees from the world community, including guarantees of our state's territorial integrity. Volodymyr Mukhin recalled that the Supreme Council had already tried to suspend nuclear arms withdrawal from Ukraine following the American side's unsatisfactory delivery on its financial promises under the trilateral agreement. "The West should understand Ukraine's position," he said.

People's Deputy Oleh Vitovych, the leader of UNA-UNSO [Ukrainian National Assembly-Ukrainian National Self-Defense], told UNIAN that the agreement on Ukraine's security guarantees must be a multilateral one. He said he believed that the world's strategic armaments would get out of control by the year 2000 and about 20 countries would be potential or actual possessors of nuclear arms, thus increasing the probability of regional conflicts. "We need a wide-ranging treaty or a security framework for all nonnuclear countries," Oleh Vitovych said.

National Affairs

Kuchma, Ministers Discuss Economic Liberalization

LD0211172394 Kiev UNIAN in Ukrainian 1015 GMT 2 Nov 94

[FBIS Translated Text] Kiev [no dateline as received]—As the Ukrainian president's press service told UNIAN, on 1 November Ukrainian President Leonid Kuchma held a meeting on issues of urgent measures to liberalize the economy. Prime Minister Vitaliy Masol, First Deputy Prime Ministers Yevhen Marchuk and Viktor Pynzenyk, Deputy Prime Minister Ihor Mityukov, and heads of ministries, the National Bank, and the directorates of the president's administration took part in it.

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They discussed methods of implementing measures on the social protection of the population in connection with the liberalization of prices. According to a report from a representative of the National Bank of Ukraine, the banks have sufficient cash to pay out by 7 November pensions and salaries that are being settled in connection with the rise in prices.

They raised the problem of safeguarding the population with foodstuffs and consumer goods, since owing to the shortage of circulation funds state processing enterprises cannot buy surplus produce from the peasants of which there is a shortage in the trade network.

In conditions of rising prices the problem of circulation of funds burdens enterprises and other sectors. For this reason it is foreseen that the introduction by the National Bank of Ukraine of restrictions in issuing credits to commercial banks could be eased or completely lifted during the course of this month. Other measures on the liberalization of the economy will be adjusted according to need.

The participants in the meeting discussed ways of halting the budget deficit, possibilities of avoiding a new credit emission, and supporting the actions of the National Bank of Ukraine directed at unifying the hard currency exchange rate and stabilizing the financial and monetary market. They also discussed the prospects for restricting the use of foreign currencies in Ukraine.

Sectors and enterprises that are continuously late with their payments for gas were subject to criticism. It was stressed that Ukraine was obliged to pay for its current account.

Marketplace 'Panics' With Liberalization

LD0311104294 Moscow ITAR-TASS in English 1015 GMT 3 Nov 94

[By BUSINESS-TASS]

[FBIS Transcribed Text] Lvov November 3 TASS—The liberalisation of prices, announced by the Ukrainian Government, caused panic among the population of the country. People rushed to buy up all the goods they could see at shops at "old prices". Yuriy Zima, deputy chairman of the Lvov regional soviet, said, however, that today all the old prices would be replaced by new, market ones.

More details became known about the Wednesday panic, brought about by the sweeping consumer demand in Ukraine. The windows of two baker's shops were broken in Rovno, because for the first time ever there was no bread on sale. Residents of Chernovtsy held a rally, because they were indignant at the absence of milk in the food stores.

At the same time, trade is flourishing at city markets. As soon as meat products disappeared from food stores, the price of meet at city markets went up from 50,000 to 200,000 karbovanets per kilogram in Lvov as 350,000 in Kiev. The price of soured cream was increased from 30,000 to 150,000 karbovanets per litre in Lvov and to 200,000 in Kiev.

According to the Russian Central Bank, the exchange rate of the Ukrainian karbovanets, fixed on November 2-3, is 3.44 roubles per 100 karbovanets against the previous figure of 3.33.

Pinzenik on Preventing 'Hyperinflation'

LD0211222494 Kiev UNIAN in Ukrainian 1840 GMT 2 Nov 94

[FBIS Translated Text] Kiev [no dateline as received]—After a meeting of the Council of Regions on 2 November, First Deputy Prime Minister Viktor Pinzenik told UNIAN that his main task in the new job was to prevent hyperinflation in Ukraine. He said the first move to this end was a decision by the board of the National Bank [NBU], signed by NBU Chairman Viktor Yushchenko today [2 November], to abolish the dependency of currency exchange rates on the rate set by the Ukrainian Interbank Currency Exchange.

Commenting on the decision, Yushchenko said that hard currency cash in legal circulation will be traded at the rate set by the buyer and seller, independent of trading results at the currency exchange, and with a profit margin of five points. He said the decision received majority approval at an all-Ukrainian conference of commercial banks on the same day. Yushchenko said: "We are very close to a monetary reform that will become the quintessence of support for the Ukrainian president's program of macroeconomic transformations."

According to Pinzenik, the Ukrainian president can be expected to issue an edict later this week to allow export of goods without registration of contracts.

National Bank Limits Foreign Currency Exchanges

LD0211230794 Kiev UNIAN in Ukrainian 1620 GMT 2 Nov 94

[FBIS Translated Text] Kiev [dateline as received]—The National Bank of Ukraine on 2 November warned commercial banks that "the purchase of foreign currencies without their sale and vice versa will be regarded by the National Bank of Ukraine as a violation of the license issued to them." From now on "the authorized bank must set a limit of advance for all the exchange offices in national currency in the amount that ensures the work of the exchange office throughout a day and in foreign currencies—at the level which meets the demand, but not higher than 20 percent of the previous day's volume of sales. Cash is to be sold with regard to the size of the margin. Throughout the business day, the exchange offices are to sell foreign currencies in cash at the expense of the currency purchased during this day. At the close of the business day, the above-the-limit cash balances in foreign currencies must be transferred to the commercial bank's cash department."

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Belarus

Health of President 'Deteriorates'

WS0311120594 Minsk BTK Television Network in Belarusian 0400 GMT 28 Oct 94

[Statement by Belarusian president's adviser Anatol Uladzimiravich Lyabedzka]

[FBIS Translated Text] Respected citizens, esteemed viewers:

During 80 days out of his first 100 days in office, which are discussed so much today, President Alyaksandr Lukashenka had to work struggling with pain. By now, his health has sharply deteriorated because of a slipped disc in his back and a pinched nerve. The condition has also been complicated by the impossibility of stationary treatment due to the situation in the Republic. In addition, stress has taken its toll on the president.

Leading neurosurgeons from Belarus and Russia on consultations in Moscow, following examinations using the most modern medical equipment, concluded that the state of Alyaksandr Ryhoravich's health had deteriorated, and categorically asserted the need for hospitalization.

The president's condition has caused frank concern and anxiety not only among Belarusian citizens, as is attested by many letters addressed to the president, but also in the international community. The first response came from the Russian Federation's president and government with a proposal to provide all necessary conditions for a course of treatment, including a stay in a sanatorium in any part of Russia. Such proposals were later received from other foreign countries, as well.

Proceeding from the aforementioned and, first and foremost, from the fact that the treatment of the president in Minsk is excluded because of the impossibility to keep strictly to the hospital routine, the Belarusian Ministry of Health has decided on a course of treatment in Russia. In connection with this, Belarusian President Alyaksandr Lukashenka departed today, on 28 October 1994, to Moscow, where Belarusian and Russian doctors will adopt a final resolution on the place, methods, and terms of his treatment.

Thank you for your attention.

President Comments to Cabinet on CIS Summit

WS0311103594 Minsk RESPUBLIKA in Russian 27 Oct 94 p 1

[BELINFORM report: "Problems Are Only Resolved by Action"]

[FBIS Translated Text] This meeting of the Cabinet of Ministers, which was chaired by President Alyaksandr Lukashenka, was in many aspects unusual. No draft resolutions were examined this time, no reports by the supervisors and those supervised were heard, and for many people it was unplanned and unexpected. The president gathered his "team" to, as the saying goes, "brood on certain issues," present his personal analysis of developments in the Republic and abroad, learn about the opinions of government members, and set ways to resolve urgent strategic and current problems of the state.

There are actually plenty of things to analyze.

First, Alyaksandr Lukashenka reported on the course and results of the Moscow summit, and shared his opinions in this regard.

According to him, the very agenda of the Moscow meeting included an inconsistency which was hard to resolve. Whereas a majority of issues proposed for consideration were aimed at developing the CIS, at least one issue was aimed at torpedoing the Commonwealth. This was the Kazakh leader's proposal to establish a Eurasian Union. As everybody knows, the proposal was rejected by the state leaders. Belarus' standpoint on this issue was unequivocal: The Commonwealth should not be transformed into a toy, of which one is sick and tired and wants to replace with another toy. At the same time, A. Lukashenka believes that Nazarbayev's idea also played a positive role at the meeting, since it "nudged" the establishment of the International Economic Committee [MEK]. The Belarusian president was, however, offered a "pill" in attractive coating, easy to swallow. Since it will apparently be nice for the Belarusians to have one of their countryman act as chairman of the MEK, let... [former Belarusian Prime Minister] Vyacheslaw Kebich lead the committee.

Alyaksandr Lukashenka refused to accept this "treat," having deemed it an insult and a step which would be neither understood nor accepted by the Belarusian people. As a result, the fate of the office of MEK chairman will be decided later. The state leaders were asked to think about whom to entrust with this post. It has become known that it will probably be either Russian Deputy Prime Minister Aleksandr Shokhin or our Deputy Prime Minister Mikhail Myasnikovich. As for Vyacheslaw Kebich, current Prime Minister Mikhail Chyhir has twice held talks with him and offered him a job.

Superseding the events, it should be said that Alyaksandr Lukashenka's active protest affected the "temperature" of the subsequent talks between the Belarusian president and Russian Prime Minister Viktor Chernomyrdin, at whose initiative this proposal was made. As it has already been reported, the talks were successful, yet their beginning was quite dramatic.

The Moscow summit once again confirmed that, in addition to integrationist aspirations, there are serious disagreements within the CIS. The state leaders, on the one hand, understand that they are not able to handle domestic problems independently, on the other hand,

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they continue to "pull the blanket toward themselves," being prodded by regional interests, local political forces, personal ambitions, sympathies and antipathies, and external factors.

There is no doubt that the Belarusian president is not satisfied with such an approach, and he is not going to participate in the production of useless CIS documents. Alyaksandr Lukashenka is convinced that, as an efficient body, the CIS cannot exist in the current form, and it is necessary to fill its activities with concrete work. He is also convinced that we cannot live without each other. Russia is, and will be, holding a particular place in the CIS and the interests of Belarus. The development of bilateral relations with it and other CIS countries may become the cement which fastens the Commonwealth. However, it requires more specific efforts, responsibility, and sincerity. We must not answer "yes" to our partners and do nothing later. We must better study our neighbors' situation, which is also difficult. This will help us search for mutually acceptable options and avoid mistakes and incorrect steps, which have already been taken by CIS members. President Lukashenka categorically opposed the common opinion that Russia has gone further in its reforms. Russian politicians and analysts are carefully studying how far it has gone and analyzing pros and cons of what has been done, and we also should do that.

In the near future, the primary attention in Belarusian-Russian relations will be attached to the signing of a new treaty on friendship and cooperation, which, as was confirmed at the meeting, is to be signed at the end of this year. The treaty will be accompanied by approximately 20 agreements concerning specific issues. The drafting of documents is personally controlled by the president.

Alyaksandr Lukashenka highly appreciated the results of his meeting with Uzbek President Islam Karimov. The talks concerned deliveries of substantial amounts of Uzbek cotton to Belarus. Islam Karimov promised to help.

Domestic problems, in particular issues connected with the implementation of the program for urgent measures for overcoming the crisis, were also carefully analyzed at the meeting. The president expressed his concern that its implementation may be threatened by the inconsistency of officials in the center and the temporizing in the regions. After all, the program set a timetable for specific measures. The first results are to be summed up as early as December.

An important role in the improvement of manageability in our state should be played by the expected law on the Cabinet of Ministers. It should define rights and powers of the government and ministers, which would be efficient enough to successfully carry out their functions. With regard to the implementation of amendments and addenda to the law on local authorities, the tactics of temporizing, used by many representatives of local authorities, is completely inappropriate. The primary criterion for appointments will be efficient work and an increase in production. One must understand, the president emphasized, that we all have only one way—a way forward to better times. We can only advance them by our hard work.

Alyaksandr Lukashenka also noted that there are already cases of people with old habits trying to attach themselves to the new administration—people who want to warm up their hands using the president's name. We must not soil ourselves with the old mire, Alyaksandr Lukashenka emphasized. We came here with a cause, and we should remember that problems are only resolved by action. In fact, this idea dominated in the president's speech and at the meeting as a whole. There was reprimanding or dressing down at it. The president was not only critical, but also self-critical. This was also a feature of other speeches.

Parties Call For Removing Cabinet of Ministers

WS0211133694 Minsk BELAPAN in English 1230 GMT 2 Nov 94

[FBIS Transcribed Text] The political committee of the bloc of the Slav Assembly "Belaya Rus" and the Liberal Democratic Party of Belarus have made a statement in which they demand to remove the present Cabinet of Ministers as "feeble in solving the question of leading the economy out of crisis." The statement, in particular, reads: "100 days have passed since the president entered upon his duties. Their results are eloquent—all his pre-election promises have been disregarded." The authors of the statement also charge the new national leaders with failure to expand economic and political links with Russia, with sharp decline in the living standards of all strata of population, with "an ill-considered denomination," rise in prices for the consumer goods of vital importance, and so on.

Moldova

Snegur Cites Tiraspol Situation as 'Tense'

AU0211181894 Chisinau BASAPRESS in English 2200 GMT 31 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 31/10/1994—This afternoon, President Mircea Snegur met with Richard Samuel, head of the CSCE mission to Moldova, states a presidential press service communique. During the meeting Snegur mentioned that "the situation in the eastern districts is still tense because the Tiraspol leaders violate human rights by not allowing the teaching process be held in the Latin script." This ban caused the revolt of the pupils' parents who are firm in their decision to struggle for the legitimate right of their children, says the communique. The president said that actions are being made to redress the situation. "The CSCE mission has an important role in these actions by

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notifying its member states," noted Snegur. It was mentioned that "new prerequisites emerged" for releasing the Ilascu group. Snegur emphasized Moldova's availability to examine the special juridical status for the eastern districts following the CSCE recommendations, states the communique.

Considers Special Status for Dniester

LD0211200794 Moscow INTERFAX in English 1655 GMT 2 Nov 94

[From the "Presidential Bulletin" feature No. 213 (703); compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Mircea Snegur said that the Moldovan government was prepared to consider granting Transdniester a special legal status, as advised by the CSCE mission in Moldova.

He told Richard Samuel, the mission head, that the situation remained very tense because the Tiraspol separatist leaders were not willing to compromise. Snegur said that human rights were violated in Transdniester, in particular, Moldovan schools were not allowed to use the Roman alphabet. He warned that this ban could result in deterioration of the situation and asked Samuel to intervene.

Samuel said that the leaders of the self-proclaimed Transdniestrian Moldovan Republic had told him that the parents would be able to have children taught as they desire.

Meanwhile, Moldovan women who protest the Tiraspol action have for six days been blocking the railroad in the village of Varnitsa near the town of Bendery. All trains from Chisinau to Ukraine make a detour of hundreds of kilometers and the Chisinau-Odessa railroad has been closed.

The villagers on the western bank of the Dniester River closed the road along which foodstuffs are brought to Bendery. They said that they would not open the road before the Transdniestrian authorities call off their ban on the use of the Roman alphabet in the Moldovan schools of the area under their control.

The same kind of action was staged by Moldovan women on the Bendery-Kishinev [Chisinau] highway. It was not stopped before Aleksandr Lebed, commander of the Russian 14th Army, met with them on November 1.

Lebed is convinced that such methods should not be used to resolve a school problem but the ban was also an inadmissible action.

He said he would work for resolution of the problem which could lead to a significant increase of tension.

He had earlier said that the 14th Army would not stand idly by but he had not convinced the parents to call off the railroad blockade.

The Supreme Soviet of the Transdniestrian Moldovan Republic sent a protest note to the Russian Foreign Ministry accusing Lebed and Tiraspol military commandant Mikhail Bergman of interference into the Transdniestrian internal affairs. The legislature wants the ministry to deplore the actions taken by the Russian officers which, the Transdniestrian authorities believe, added to the tension in the region.

Popov on Troop Withdrawal, Officer 'Transfer'

AU2510162894 Chisinau INFOTAG in English 1929 GMT 24 Oct 94

[FBIS Transcribed Text] Chisinau INFOTAG, 24/10/1994—Moldovan Foreign Minister Mihai Popov stated that after the Russian Army's departure, its officers can continue serving in the Moldovan Armed Forces.

Popov said at Saturday's news conference, dedicated to the CSCE Secretary General's visit, that "there are all possibilities for this, proceeding from the officers' wish and in accordance with the Moldovan legislation which allows for such a transfer".

"The documents signed last week are a logical result of the two year long negotiations on the Russian Army withdrawal, and both sides must be interested in their implementation," Popov said.

Commenting on the role of Russian peace keepers in the region, the minister said they had an appropriate mandate for the peace keeping mission, and were positively perceived by all sides.

Nantoi Remarks Moldova is 'Vulnerable' to Moscow

AU0211181794 Chisinau BASAPRESS in English 2200 GMT 31 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 31/10/1994—"The possible fall of the Viktor Chernomyrdin cabinet and implicitly the change of the general political course to be followed by Moscow will have more than a substantial influence on Moldova," Oazu Nantoi, chairman of the Moldovan Social Democratic Party, told BASA. In his opinion, the most alarming fact is that the government led by Chernomyrdin is attacked by the Russian national communists. According to Nantoi, if they penetrate into the Russian government, they will exercise pressure on Moldova as well as on the other former Soviet republics in order to form a political and military union. The Social Democratic leaders say that Moldova depends totally upon Russian politics, it does not promote an independent external policy, and it does not rely on its own national economy. Thus it makes Moldova particularly vulnerable to any political vibrations from Moscow. "There is nothing bad with the fact we have solid relations with Russia. But the unfortunate thing about it is that the Moldovan leadership does not

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rely on alternative political and economic foundations other than those in the East," said Nantoi.

BTI on 'Disagreement' With Romania Policies

AU0211210694 Chisinau BASAPRESS in English 2200 GMT 31 Oct 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 31/10/1994—At today's press conference, the Peasants' and Intellectuals' Block [BTI] made public two declarations on the BTI's disagreement with the policy pursued by the ruling party. Vasile Nedelciuc, of the BTI, stated that the October 28 parliamentary declaration on statements made by certain Romanian officials "aims at provoking Romanian officials to make harsher declarations to justify the possible signing of the CIS political-military agreement." Referring to the activity of the parliament over the past week, BTI Deputy Mihai Ghimpu pointed out that the law on territorial- administrative organization has no juridical or economic support. "The districts should exist as economic areas, while the PDAM [Agrarian Democratic Party of Moldova] promoted this law to strengthen their local structures before the local elections," said Ghimpu. Valeriu Matei, another BTI leader, stated that "during the local elections all opposition parties should unite in a single electoral alliance," adding that talks in this regard are being conducted. "If the opposition does not create a serious alliance, we will have no opportunity to promote democratic reforms," said Nedelciuc, implying that it might happen that the opposition would be forced to go underground.

Chisinau, Iran Discuss Oil Purchases, Treaties

LD0311114694 Moscow ITAR-TASS in English 1057 GMT 3 Nov 94

[By ITAR-TASS Correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Kishinev [Chisinau] 3 Nov (TASS)—This year Moldavia [Moldova] will buy about 2.5 million tonnes of oil from Iran at prices lower than world prices. Andrei Sangheli, Moldavian prime minister, said this upon his return from Tehran. He was staying there on an official two-day visit. The prime minister believes this amount of oil will be enough to meet Moldavia's needs in oil in autumn and winter.

Seven treaties and agreements on economic, scientific and cultural cooperation were signed between the two countries during the visit which Sangheli described as "very effective". In accordance with these documents, Moldavia and Iran will be cooperating in agricultural science, food production and marketing in Iran. Moldavia is also interested in supplies of liquefied gas from Iran. "However, before this agreement is concluded, it is necessary to work out methods of liquefied gas transportation to Moldavia", Sangheli said.

Loan From Japan Repays Gas Debt to Russia

LD0211184494 Moscow INTERFAX in English 1417 GMT 2 Nov 94

[FBIS Transcribed Text] Moldova will use most of a recent Japanese loan to repay its arrears for Russian gas, a Moldovan government source said.

The former Soviet republic will pay the Russian gas monopoly Gazprom $30 million of the $40-million loan received from Japan's Export-Import Bank around mid-October, the source told the Financial Information Agency.

Of what remains, $3 million will be spent on fuel for the Moldovan State Regional Power Plant and on imports of materials and components for the country's industry, including three enterprises in its capital Kishinev [Chisinau]—the Elkas washing machine factory, the Farmaco plant and a household chemicals plant, to receive $1 million, $890,000 and $430,000, the source said.

The loan has been provided at 5 percent interest for 20 years, but can be deferred for five years.

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Kazakhstan

Ministries Abolished, Civil Service Cut

LD0311121294 Moscow ITAR-TASS World Service in Russian 0805 GMT 3 Nov 94

[By ITAR-TASS correspondents Amangeldy Akhmetalimov and Fedor Ignatov]

[FBIS Translated Text] Almaty, 3 Nov—Eight economic ministries and four main directorates under the cabinet of ministers of Kazakhstan have been abolished. At the same time, staffing in the offices of the remaining ministries and departments of the republic has been cut by almost a quarter, the press service of the president of Kazakhstan announced today.

In all, 15,359 staff in administrative bodies have been cut throughout the republic. Total savings over a year are more than 525 million tenge. Nonetheless, the administrative apparatus remains cumbersome and numerous. More will be done to sort this out in line with a decree from the president of the republic on improving state authorities and administration and cutting expenditure on their upkeep.

Abducted Cossack Chief Escapes From Kidnappers

LD0311060894 Moscow ITAR-TASS in English 0545 GMT 3 Nov 94

[FBIS Transcribed Text] Alma-Ata [Almaty] November 3 TASS—The story concerning the mysterious abduction on October 25 of Fyodor Cherepanov, chief of the Verkhne-Irtysh Russian Cossack community and deputy to the Ust-Kamenogorsk City Council, is evidently nearing completion.

ITAR-TASS learnt from reliable sources that the chief returned home this morning.

According to Cherepanov, he spent all these nine days in a hideout guarded by his abductors. He managed to escape only last night when his captors eased their vigilance.

Other particulars connected with the abduction and escape of the Cossack chief are not known so far. This case is being thoroughly investigated by law enforcement bodies which set up a special task force to hunt down the abductors.

It will be remembered that the abductors demanded initially 900,000 U.S. dollars for Cherepanov's release and eradication of the Cossack movement in the Kazakh Republic. Later, political demands were removed.

Kyrgyzstan

Indian Deputy Foreign Minister Visits Bishkek

LD0211135694 Bishkek Kyrgyz Radio First Program Network in Russian 1000 GMT 2 Nov 94

[FBIS Translated Text] D. Mukherjee, Indian deputy minister of foreign affairs, is on a working visit to Bishkek. The aim of his visit is to familiarize himself with the domestic political and economic situation of Kyrgyzstan and with the democratic processes going on in the country, the problems of the transition to a market economy, and the level of influence on it by opposition forces.

The problem of the integration of the three Central Asian states—Kazakhstan, Uzbekistan, and Kyrgyzstan—is of particular interest for the Indian diplomat, as are the position of the leaders of the Kyrgyz Republic on the Kashmir issue and the discussion of prospects for Kyrgyz-Indian cooperation in the political, trade, economic, scientific, technical, and humanitarian spheres. The program for Mukherjee's stay includes a meeting with State Secretary Janysh Rustenbekov, the head of the presidential administration; Deputy Prime Minister Osmon Ibraimov; Foreign Minister Rosa Otunbayeva; Defense Minister Murzakan Subanov; Andrey Iordan, minister of trade and industry; and (Patakhov), first deputy chairman of the state committee for the economy.

New Party Formed With Green Ideals, Red Structure

LD0211132594 Bishkek VECHERNIY BISHKEK in Russian 2 Nov 94 p 1

[FBIS Translated Text] Tabiyat-Ene, the Liberal Ecology Party of Kyrgyzstan, Saturday [29 October] held its constituent conference in Bishkek. Its main aim is to build a democratic socialist society based on harmony between man and nature.

The party's organizational structure is modelled on that of the Communistic Party of the Soviet Union. Ismail Dairov, an environmentalist who is deputy head of a department at the State Committee for Nature, was elected chairman of the Liberal Ecology Party.

The green party now has to be registered and hold its first congress. Incidentally, Kyrgyz and Russian have been approved as the party's working languages.

Tajikistan

UN, Russian, Iranian Efforts Assist Talks

MM0311101594 Moscow IZVESTIYA in Russian 2 Nov 94 p 3

[Report by Arkadiy Dubnov: "Tajiks Joking With One Another Again"]

[FBIS Translated Text] After long and painstaking negotiations in the capital of Pakistan, the warring Tajiks have agreed to extend the armistice period. One of the main terms of the agreement has not been fulfilled: namely, the exchange of opposition supporters detained in Tajik prisons for prisoners of war from among government troops seized by opposition gunmen.

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The opposition considers it premature to hold a presidential election in Tajikistan 6 November—prior to attaining a political settlement in the republic.

Ramiro Piriz-Ballon, special representative of the UN secretary general, did not hide his disappointment. He warned that, if the armistice agreement is not extended, then after Islamabad the United Nations is likely to "wash its hands" of the matter, terminating efforts to reconcile the Tajiks among themselves. At the start of the meeting the Tajik Government delegation made clear its view that it was hardly worth discussing questions of principle pertaining to an inter-Tajik settlement until the arrival here of Russian Deputy Foreign Minister Albert Chernyshev....

When he did arrive, it emerged that the Russian leadership was against yet another deferment of the date for a presidential election in Tajikistan. At a meeting with opposition leaders Chernyshev did not conceal his thoughts: Moscow was counting on the legitimization of the government, which would then allow that government to take control of the situation in the republic. On the eve of the Russian deputy minister's arrival in Islamabad the sides were already prepared to initial the text of one item in the protocol, on the activity of a joint commission. It centered on providing safe passages though which the opposition could deliver clothes, food, and medicines for the winter period from Afghanistan to its groupings in Gornyy Badakhshan. However, after a lunch break during which the leader of the Dushanbe delegation met with Russian Ambassador at Large A. Oblov, new demands were put to the opposition.

Moscow is also clearly concerned about the prospect of possible U.S. mediation in a Tajik settlement. Moscow is hoping that Russia will find an ally in Iran, which is not keen on a strengthening of American influence in the Central Asian region either.

The Tajik opposition leaders are not turning down an invitation from the U.S. ambassador in Islamabad, but, at the same time, they also accepted an invitation from the Iranian ambassador. In the banqueting hall of the Iranian Embassy, both Tajik delegations met around the table. The atmosphere was more than cordial. The leaders, who not so long ago were not even willing to sit at the same table as people "up to their elbows in blood," exchanged jokes. It was also interesting to see how keenly certain members of the government delegation strove to immortalize their image in photographs alongside "Tajik government in exile" leader Said Abdullo Nuri....

But it had been hard for the UN mediators to bring the warring sides to the negotiating table. Everything changed with the return from Ashkhabad to Islamabad of Pakistan Foreign Minister Sardar Asif Ahmad Ali. Pakistan, which nowadays aspires to the image of a successful peacemaker in turbulent neighboring countries, could not permit the peace talks in its capital to collapse. Russian pressure at the last moment had some influence. Piriz-Ballon even gave his approval to the negotiators: "At last I am starting to see where you Tajiks are coming from—you continue to be poles apart, but you are trying to talk...."

Chinese Businessmen Discuss Cooperation

LD0211142794 Dushanbe Tajik Radio Network in Russian 1000 GMT 2 Nov 94

[FBIS Translated Text] Active members of the Tajikistan-China Friendship Society held a meeting with the heads of China's (Nupen) association in the Tajik Society of Friendship and Cultural Relations. The association unites tens of enterprises in China's Xinjiang Uighur Autonomous Region and is one of the largest in the country specializing in various fields of business. It employs 7.4 million people at its enterprises and also in agriculture. The association has a scientific research institute. Each year its plants and factories produce 35,000 [metric] tonnes of fiber, 100,000 tonnes of oil, and more than one million tonnes of grain.

During the friendly conversation, in which the heads of creative unions and the rectors of Tajikistan's higher educational establishments took part, the guests talked about their future plans. The current visit is aimed at getting to know Tajikistan. However, the Chinese businessmen have already met with the appropriate officials of the republic's ministries of health, trade, and material resources, and of the Tajikplodovoshch [fruit and vegetable] association. They also met with the heads of Dushanbe City Executive Committee. Some protocols on cooperation have already been signed, which serve as a guarantee for specific mutually beneficial actions in the nearest future.

Rakhmonov Appeals to Tajiks Abroad To Vote

LD0211193294 Dushanbe Radio Tajikistan Network in Tajik 1200 GMT 2 Nov 94

[FBIS Translated Text] Emomali Rakhmonov, head of state, chairman of the Supreme Council of the Republic of Tajikistan, issued an appeal to compatriots living abroad, which says:

Dear compatriots, fathers and mothers, sisters and brothers who live abroad. The Republic of Tajikistan, our dear homeland, is on the eve of great political changes. For the first time in our ancient nation's fortunes, history is about to create the opportunity for all of us to adopt the constitution in a referendum. The new constitution is an old historic law which determines the future of independence, the future of our government, our present and future life and that of our children. Today, prospering Tajikistan is moving toward freedom and is pinning its hopes on every child who can make a contribution along the path of the development and consolidation of the newly created state.

Fate has caused you to spend your lives in different countries. But today and tomorrow, Tajikistan awaits you. The majority of compatriots who suffered the bitter

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taste of travel and the humility of not having a homeland have returned to their houses and homes and are living peaceful lives.

I appeal to you, dear compatriots, to make use of the opportunities for voting on accepting the principles you believe in and electing one of the candidates for the presidency of Tajikistan.

The Tajik Government has organized polling stations at the embassies and representative offices in Afghanistan and in other close and distant countries where our compatriots outside the country live. We believe that you, our compatriots abroad, will actively participate in adopting the new constitution and in the elections on 6 November. Only the active participation of all people will make it possible to accomplish the tasks facing the country. Assuming responsibility before present and future generations will provide the opportunity to create a just society where freedom is placed above everything else. Tajiks have one motherland. All of us should hold it dear and contribute to its prosperity.

Rakhmonov Gives TV, Radio Election Debate

LD0211211294 Dushanbe Radio Tajikistan Network in Tajik 1415 GMT 2 Nov 94

[Television and radio debate by Emomali Rakhmonov, head of state and presidential candidate, moderated by an unidentified correspondent—live]

[FBIS Translated Excerpt] [Correspondent] Good evening dear TV viewers and radio listeners!

Esteemed Emomali Sharipovich Rakhmonov, presidential candidate and chairman of the Supreme Soviet of the Republic of Tajikistan, is taking part in today's live TV and radio debate. [passage omitted] I would like to recall that seven minutes will be given to the presidential candidates at the beginning and five minutes at the end to make brief statements. Here is esteemed Emomali Sharipovich.

[Rakhmonov] Dear compatriots, esteemed fathers and mothers, sisters and brothers! In three days the inhabitants of the Republic of Tajikistan will adopt a new Constitution of Tajikistan through a nationwide discussion and will elect the president of the republic. This a great achievement in the process of the democratization of our society, which has been achieved by the peoples of our country. When I was elected chairman of the Supreme Soviet at the 16th session of the Supreme Soviet of the republic, I swore allegiance to the parliament i.e., to the whole people that I will devote my activity to extinguish the flame of the fratricidal war. Thanks to Almighty God and your support, at last peace and tranquillity has been restored in our suffering republic. This is one of the most noble and greatest achievements of our state. Now people can calmly be busy with peaceful labor. Every citizen of the republic knows about other aims and intentions that have been taken by the legitimate government, which was created at the 16th session of the Supreme Soviet in the ancient town of Khujand, and it is up to the people to assess the situation [words indistinct]. I would like to give a lot of time to our question and answer session and that is why I am concluding my brief statement.

[Correspondent] Thank you Emomali Sharipovich, we have received many questions from our TV viewers and radio listeners. Here is a question from Begmurod Kurbonaliyev, a resident of the city of Dushanbe. Dear Emomali Sharipovich, will you kindly tell from which foreign countries and international organizations observers have been invited to monitor the presidential elections? Here a similar question from Akbar Sobirov, a resident of Dangarinskiy Rayon. Emomali Sharipovich, are the elections democratic? Is it true that the UN and the CSCE consider these elections undemocratic?

[Rakhmonov] I think that these questions belong to the Central Electoral Commission. However, I will answer these questions. [Words indistinct] the Central Electoral Commission through the Ministry of Foreign Affairs of the republic has already sent invitations to all the Commonwealth of Independent States, the United Nations, the CSCE, and other states. Several observers from these countries have already arrived in our republic, including the observers from the CSCE. As far as rumors are concerned that the elections is not democratic, I would like to point out that these rumors are groundless. I am confident that our elections are democratic and all the international organizations and developed countries of the world support our measures.

[Correspondent] Here is another question from Bobojon Yormatov, an employee of a joint-stock company from the town of Konibodom.

Emomali Sharipovich, why did not you resign from your post as the head of state during the election campaign? Rahimov, a resident of the town of Khujand, has asked the same question.

[Rakhmonov] I would like to say the following. How could I resign from my post in the present situation? As you know, the head of state was on a visit in Tashkent and signed agreements with the fraternal Republic of Uzbekistan and has attended the Moscow Commonwealth' summit at which historical documents were signed. Who could sign these documents on behalf of the head of state of Tajikistan? [passage omitted including indistinct portions]

[Correspondent] Here is another question relating to Uzbekistan. When will the airlines between Uzbekistan and Tajikistan be open? This is a question from Aynullo Jurayev, a resident of Nauskiy Rayon.

[Rakhmonov] In the course of my official visit to the fraternal Republic of Uzbekistan, and in the course of my meetings with esteemed Islam Abdughaniyevich Karimov, the president of the fraternal Republic of Uzbekistan, we discussed the issues relating to opening

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[word indistinct], as well as railways and airlines. Esteemed Islam Abdughaniyevich told me the following: Emomali Sharipovich, convey to the people of the Republic of Tajikistan that after the events that are scheduled in the Republic of Tajikistan, i.e., the presidential elections, and before the end of November all the surface and airlines that were cut five years ago between the Republics of Tajikistan and Uzbekistan will be open, and relations between the two republics will be restored.

[Correspondent] This question is from Aziza, a resident of the city of Dushanbe. How long will the blockade of Badakhshan continue?

[Rakhmonov] This question is incorrect. When there were clashes in Tavildarinskiy Rayon and after retreating the bands of the opposition blew up Khaburabadskiy pass in three places. That means that the road was damaged by explosion and blocked. [indistinct passage] In the past two years, the Gorny Badakhstan Oblast received more flour and bread per person than Leninabad and Khatlon Oblasts and rayons under the jurisdiction of the republic. We are taking all measures to supply people with bread.

[Correspondent] What will your stance be in relation to religion if you become the president? This is a question from Bozorov, from Dushanbe.

[Rakhmonov] My stance in relation to religion over the past two years is clear to everybody in the republic. My stance is described in a draft constitution, which is put forward in the nationwide referendum. I will act on the basis of this constitution, which will be adopted by the people, and I will try my best to implement this law. Religion ought to be a private matter for individuals and should be separate from politics and the state. [passage omitted]

[Correspondent] Here is another question in Russian. Do you think Tajikistan will join the ruble zone or will Tajikistan introduce its national currency?

[Rakhmonov, in Russian] We are currently carrying out such work. So far, we have no intention of introducing our own currency. [indistinct passage]

[Correspondent] Here is another question in Russian. Are you sure that you will win the elections?

[Rakhmonov, in Russian] Yes, I am sure [words indistinct] my people. [cut in transmission]

Minister on National Army, Peacekeeping Operations

MK0211121094 Moscow NEZAVISIMAYA GAZETA in Russian 2 Nov 94 p 3

[Interview with Major General Aleksandr Shishlyannikov, defense minister, by Nikolay Plotnikov, NEZAVISIMAYA GAZETA military commentator: "Everything Is Going According to Plan"—place, date not given]

[FBIS Translated Text] [Plotnikov] Aleksandr Vladimirovich, what are the Armed Forces of the Tajikistan Republic like today?

[Shishlyannikov] The national Armed Forces are being raised in accordance with a plan calculated until the year 2000. It includes three stages. The first one will be completed in two years. By now, two motorized rifle brigades (one of the them training), a special task brigade and unit, and a mixed air squad have been created. Operational, technical, and logistical support elements have been manned. Russia is giving us much assistance and support in raising the national army.

[Plotnikov] One problem many of the Commonwealth national armies have encountered is the training of military cadres. How is it being addressed in Tajikistan?

[Shishlyannikov] There is agreement with the Russian Federation on preparing future officers in Russian military training establishments. At present, approximately 400 young men are being trained there. Furthermore, this year two companies have been enrolled at the Tajikistan Higher Military College. It offers a four-year course of training in combined arms and tank specialties. In addition, there are three- and six-month courses for those wishing to be commissioned officers. Graduates are conferred the rank of junior lieutenant.

[Plotnikov] Are there any problems in relations between the Tajikistan Army and the Commonwealth Collective Peacekeeping Forces and the Russian Border Guard Contingent, and how justified is the extension of the mandate for the collective peacekeeping forces' presence in the republic?

[Shishlyannikov] From the very first day of our joint activity I have developed frank and friendly contacts and enjoyed full mutual understanding with Colonel General Patrikeyev, commander of the collective peacekeeping forces; and Lieutenant General Chechulin, commandeer of the Russian border troops in Tajikistan. And so on all down the line, down to platoon leaders and border guard post chiefs. In operations to protect the state borders our military servicemen act shoulder to shoulder with the Russian guys and the Uzbek battalion. As for extending the mandate for the presence of the collective peacekeeping forces, it is fully justified. At the moment they are the guarantor of stability and security. Moreover, not only to our republic but also the Commonwealth as a whole.

[Plotnikov] The media have not just once written about the participation by foreign "soldiers of fortune" in combat operations against government troops on the side of the intransigent opposition. How far does this correspond to reality?

[Shishlyannikov] In the course of combat actions along the Tavildarin line, evidence was obtained pointing to the presence of what you have called "soldiers of fortune" from Saudi Arabia, Iran, some Baltic States, and the Afghan mujahidin....

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[Plotnikov] From which Baltic states in particular?

[Shishlyannikov] Lithuania. Furthermore, it has been established that camps preparing intransigent opposition combatants have been operating on the territory of neighboring Afghanistan.

[Plotnikov] How much truth is there in reports about the voluntary defection of more than 50 national army servicemen to the opposition?

[Shishlyannikov] At present an investigation is under way which, among other things, will establish the possible guilt of former battalion commander Captain Radzhapov. Before the investigation is complete, it is not quite appropriate for me as defense minister to make any suppositions.

Uzbekistan

Central Asian Bank Heads Meet in Tashkent

LD0211155594 Bishkek SLOVO KYRGYZSTANA in Russian 27 Oct 94, DELOVOY CHETVERG supplement, p 1

[FBIS Translated Text] On 22-23 October the third meeting of heads of the central banks of the Central Asian countries took place in Tashkent. The agenda included the following items:

—Establishing a consultative council of the central banks of the Central Asian states;

—Establishing information exchange among the central banks of the Central Asian states;

—Discussion of the issues of mutual convertibility of national currencies, nonresidents' access to domestic currency markets, and other issues.

Representatives from the National Bank of Kazakhstan, the National Bank of Kyrgyzstan, and the Central Bank of Uzbekistan took part in the meeting. National Bank Board Chairman M.A. Sultanov headed the delegation from the National Bank of Kyrgyzstan, which also included Deputy Chairman E.S. Abdumanapov; Orient Bank President G.K. Soodanbekov; and M. Abakirov, assistant to the chairman of the National Bank of Kyrgyzstan.

The Consultative Council of the central banks of Central Asia was set up to coordinate the activities of the central banks participating in the meeting, render assistance to the banks, and carry out monetary, credit, and exchange regulations. It is a consultative and advisory organization rather than a legal body.

The council's main tasks are:

—Coordination of the banks' operations on matters of improving their settlements and payments, monetary, credit, and exchange regulation, and safeguarding the national currencies' stability;

—Facilitation of the unimpeded exchange of information between the banks on matters relating to monetary, credit, and currency regulation, as well as supervision of finance and credit institutions;

—Facilitation of mutual access to state securities markets;

—Coordination of the banks' activities on providing security for the banking system and other issues.

In order successfully to carry out the tasks which have been set, it was decided to set up a commission to deal with the following issues:

—Currency regulation and foreign economic operations;

—Supervision and regulation of the banking system;

—Payment systems and information activity;

—Accounting.

D. Sembayev, chairman of the board of the National Bank of Kazakhstan, was elected chairman of the Consultative Council. In recognition of the current need for a mutual exchange of information, an agreement on information exchange was approved envisaging an exchange of information in the following areas:

—General information;

—Monetary and credit accumulations;

—Economic and social situation;

—Information about banks, and so on.

At the meeting the chairmen of the central banks of Central Asia reviewed and discussed the monetary and credit policy pursued by the banks and the economic and social situation in the republics. In particular, Kyrgyz National Bank board chairman M.A. Sultanov reviewed the monetary and credit policy pursued by the National Bank of Kyrgyzstan. He pointed out that the national currency, the som, is fairly strong. When the ruble collapsed the som held at its previous level. It was noted that the currency regulation policies being pursued by the National Bank of Kyrgyzstan provide stability and predictability for the som's exchange rate. Convertibility of current and capital accounts has been achieved through the National Bank's efforts.

Under the conditions of the monetary and credit policy being implemented by the National Bank of Kyrgyzstan, the inflation rate has been minimized while domestic credit policy is completely in line with the requirements of stimulating structural transformations in the economy. The stable macroeconomic environment in Kyrgyzstan is promoting an intensification of the reforms being implemented in the financial sector, and this has led to a growth of confidence in the national currency and an increase in the population's savings. Incidentally, over the past nine months of this year the

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population's deposits have increased 225 percent compared with the index on 1 January 1994.

Sultanov called upon the participants of the meeting to admit nonresidents to the domestic currency markets of the republics in order to increase the volume of monetary and consumer goods flowing between the republics, as has been done in Kyrgyzstan. The Central Bank of Uzbekistan stated that by 1 January 1995 it would do its best to change the normative acts and legislation and make a decision on nonresidents' access to its currency market. Kazakhstan agreed to admit some Kyrgyz commercial banks to its currency market, as a qualified member of exchange.

The agreements set out above were signed at the end of the meeting, and the participants decided to hold such meetings regularly, once a quarter.

Karimov Meet Russian Border Guard Commander

MK0211120094 Moscow NEZAVISIMAYA GAZETA in Russian 2 Nov 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Uzbekistan"]

[FBIS Translated Text] Colonel General Andrey Nikolayev, commander-in-chief of the Russian Federation border troops, has arrived in Uzbekistan. He has had a closed-door meeting with republic President Islam Karimov. The subject was the joint guarding of the southern CIS borders in line with the understandings of the CIS heads of state, and the situation along the Tajik-Afghan border.

President Pardons Five Opposition Leaders

LD0211202994 Moscow INTERFAX in English 1655 GMT 2 Nov 94

[From the "Presidential Bulletin" feature No. 213 (703); compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Islam Karimov issued a decree on pardon to five leaders of the Uzbek opposition. The document published in the local press on Wednesday [2 November] says that it was adopted due to the fact that "the convicted understood their guilt, repented of their deeds, and expressed their wish to honestly serve to the society" and due to a difficult material situation of their families.

In accordance with the decree representatives of the Berlik movement Bulat Akhunov, Nasyr Zakirov, of the Erk democratic party Atanazar Arifov, Inomijan Tursunov, and Salovat Umurzakov, who were sentenced to imprisonment in accordance with different articles of the republic's Criminal Code, have been pardoned.

Several local observers believe that this move of the Uzbek leader increases the high chances of Uzbekistan's Popular Democratic Party (UPDP) headed by Karimov to win at the parliamentary elections on December 25. IF note: On Tuesday an extraordinary congress of the UPDP nominated its candidates to the deputies of Oliy-Majlis (parliament). The UPDP was founded in 1991 and has become legal successor of the republic's communist party. The party comprises about 330,000 members and is one of two parties which have been admitted to the elections to the new parliament.

Agriculture Minister Removed at Own Request

LD0211172994 Tashkent Uzbek Television Program First Network in Uzbek 1400 GMT 2 Nov 94

[FBIS Translated Text] An edict of the president of the Republic of Uzbekistan on relieving Norbek Kayumov of his post of minister of agriculture of the Republic of Uzbekistan:

Norbek Kayumov is to be relieved from the post of minister of agriculture of the Republic of Uzbekistan in accordance with a written request from him.

[Signed] Islam Karimov, president of the Republic of Uzbekistan.
[Dated] Tashkent, 2 November 1994

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Armenia

Butrus-Ghali Arrives From Tbilisi for Meetings

NC0211161094 Yerevan SNARK in English 0812 GMT 2 Nov 94

[FBIS Transcribed Text] Yerevan, 2 November (SNARK)—Today, after midday, by a flight from Tbilisi the UN Secretary General Butrus-Ghali arrived in Yerevan. He was welcomed at the airport by the Vice President of Armenia Gagik Harutunyan, Foreign Minister Vahan Papazyan and other officials.

Immediately after his arrival, Butrus-Ghali was led to the Reception House in Yerevan where he had a meeting with Vahan Papazyan.

No press statements were made by the secretary general at the airport.

President Levon Ter-Petrosyan will receive Butrus-Ghali this evening.

UN Secretary General's Itinerary Given

LD0211170394 Tbilisi IPRINDA in Russian 1400 GMT 2 Nov 94

[FBIS Translated Excerpt] Yerevan (IPRINDA)—UN Secretary General Butrus Butrus-Ghali arrived in Armenia today. He will meet Armenian President Levon Ter-Petrosyan and Foreign Minister Vahan Papazyan today.

On 3 November the secretary general is scheduled to meet Babken Ararktsyan, the chairman of the Supreme Soviet of Armenia, after which he will address the republic's parliament. Ghali will then meet Armenian Prime Minister Hrant Bagratyan. [passage omitted]

On 4 November the eminent guest will leave Armenia.

Butrus-Ghali Meets With Ter-Petrosyan

LD0211222094 Moscow ITAR-TASS in English 2044 GMT 2 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations November 2 TASS—U.N. Secretary General Butrus Butrus-Ghali arrived on Wednesday morning in Armenia for an official visit. He was greeted at the airport by Armenian Vice-President Gagik Arutyunyan, according to Joe Sills, spokesman for the U.N. secretary general.

Butrus-Ghali had a short meeting with Armenian Foreign Minister Vagan Papazyan, who thanked, on behalf of his government, the United Nations for setting up its office in the Armenian capital.

After that, the U.N. secretary general had a face-to-face meeting with Armenian President Levon Ter-Petrosyan, which lasted for more than one hour. During the meeting, Butrus-Ghali and Ter-Petrosyan discussed the situation in the Transcaucasus, in particular the Armenian-Azeri conflict over the Nagorno-Karabakh enclave. They also touched upon Armenia's economic development. The U.N. secretary general reminded the Armenian leader about the most important events due to be held under the U.N. auspices in 1995. Ter-Petrosyan informed Butrus-Ghali about a national committee for celebrating the 50th anniversary since the United Nations' foundation. The committee has just been established in Armenia under the chairmanship of the country's foreign minister.

Yerevan Ready To Implement UNSC Resolutions

LD0211221494 Moscow INTERFAX in English 1956 GMT 2 Nov 94

[FBIS Transcribed Text] Armenian President Levon Ter-Petrosyan assured U.N. Secretary-General Butrus-Ghali that his country was fully ready to implement the U.N. Security Council [UNSC] resolutions on the Karabakh conflict, the president's press service announced summing up the results of Ter-Petrosyan's meeting with Butrus-Ghali, who arrived in Yerevan from Georgia on Wednesday.

Ter-Petrosyan said that the international community must work out a single program for the settlement of the conflict. Concurrently, measures to consolidate the cease-fire agreement which the sides involved in the conflict have been observing since May 12, must be taken, he said.

Azerbaijan

Dagestan Delegation Visiting for Economic Talks

NC0211191594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 2 Nov 94

[FBIS Translated Text] Acting Prime Minister Fuad Guliyev received yesterday a delegation headed by Naribek Haji Kayitganov, deputy prime minister of Dagestan. [name and title as heard]

Fuad Guliyev briefed the guests on the existing social, political, and economic situation in Azerbaijan, and spoke on President Geydar Aliyev's efforts to end the war peacefully and consolidate our state independence.

Detailed discussions then followed on the development of trade and economic ties between the two republics. The possibility of selling Azerbaijani cotton, carded cotton, and oil products to Dagestan on the basis of mutual interest were discussed. Special attention was devoted to the safety of the trains on the Baku Makhachkala-Baku line, and the urgent need bring order to the schedule of train movements was noted.

The creation of a joint enterprise in Makhachkala, the need to exert maximum efforts to ensure the movement

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of the trains along the northern Caucasian railway, the opening of reciprocal trade offices, and other economic issues were also discussed.

At the end of the meeting a protocol was signed to regulate the trade and economic ties between the two republics.

Georgia

Butrus-Ghali, Shevardnadze Cited on Abkhaz Issue

LD0211183794 Moscow INTERFAX in English 1417 GMT 2 Nov 94

[FBIS Transcribed Text] Secretary General of the United Nations Butrus Butrus-Ghali is considering the possibility of arranging, early next month, a conference between Georgian, Abkhazian and Russian emissaries.

Wednesday Dr Butrus-Ghali told newsmen in Tbilisi that "the Security Council resolutions on the Abkhazian developments provide a legal and political infrastructure for the settlement of problems related to the Georgian-Abkhazian conflict." That infrastructure was to be based on the UN principles that "safeguard sovereignty, territorial integrity and the inviolability of national frontiers and reject all attempts to annex part of another's territory by force," he said.

Dr Butrus-Ghali emphasized the good relations between the UN observers and Russian peacekeepers in the zone of the Abkhazian conflict. He said that very soon the United Nations would build up an observer contingent in Abkhazia. As many as 136 emissaries of 26 countries would then be monitoring the peacekeeping efforts in that republic.

Georgian leader Eduard Shevardnadze said, in turn, that "Butrus Butrus-Ghali made it very clear that he and the Security Council were interested in the earliest settlement of the Abkhazian conflict." Both he and Dr Butrus-Ghali realized that "Russia and the Commonwealth of Independent States must play a special role in the efforts to settle the Abkhazian conflict."

After the news conference Dr Butrus-Ghali left Tbilisi for Yerevan.

Wednesday he will be expected to meet with Armenian President Levon Ter-Petrosyan and Foreign Minister Vagan Papazian. The press service under Ter-Petrosyan told Interfax that he and the Armenian leaders would focus on ways to settle the Karabakh conflict and the peacekeeping role of the United Nations in Karabakh.

Shevardnadze Comments on Visit

LD0211183994 Moscow INTERFAX in English 1417 GMT 2 Nov 94

[FBIS Transcribed Text] Georgia's leader Eduard Shevardnadze expressed the conviction that the visit of UN General Secretary Butrus Butrus-Gali to be concluded November 2 will speed up settlement of the Georgian-Abkhazian conflict.

In an interview with journalists on Wednesday Shevardnadze emphasized the importance of the fact that Butrus-Gali reconfirmed the UN position on the territorial integrity and inviolability of Georgia's borders.

Shevardnadze did not rule out that on Butrus-Gali's return to New York the UN Security Council would adopt a resolution on speeding up the pace and scale of refugee return to Abkhazia.

Meanwhile, commenting on the results of Butrus-Gali's visit to Georgia, Chairman of Georgia's Parliamentary Commission on Security and Defense Nodar Natadze, one of the leaders of the opposition, declared to Interfax that his pessimistic prognoses had come true. "At present the UN is unable to render any practical influence to settle the conflict in Abkhazia," Natadze said.

South Ossetian, Dneister Leaders Sign Treaty

AU0211151394 Tbilisi IVERIA EKSPRESI in Georgian 26-28 Oct 94 p 1

[IBERIA report: "Interstate Treaty"]

[FBIS Translated Text] Tskhinvali. Ludvig Chibirov, chairman of the Nikhas [parliament] of so-called South Ossetia, and Aleksandr Karaman, vice-president of the Transdneister [Dniester] republic in Moldova, have signed an interstate treaty on friendship and cooperation in Tskhinvali.

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Estonia

Ministers Further Consider Troop Withdrawal

LD0211201594 Moscow INTERFAX in English 1655 GMT 2 Nov 94

[From the "Presidential Bulletin" feature No 213 (703); compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The Cabinet of Ministers started consideration of the agreement with Russia on Russian forces withdrawal from the territory of this Baltic republic and on social guarantees to the retirees who have remained here. The first sitting on this issue was held behind the closed doors.

After the Tuesday sitting Prime Minister Mart Laar reported to journalists that the Cabinet had commissioned the Justice Ministry to revise several provisions of the expert estimate of the agreements and to primarily ground the need of ratification of the agreement on Russian forces withdrawal which was concluded on August 31. The government has also commissioned this department to revise all decrees and legal acts related to retirees in order to bring them in line with this Estonian-Russian agreement.

Mart Laar believes that several items of the agreements should be defined more precisely. In his words, this work will be carried out along the diplomatic channels. IF note: The Estonian-Russian documents were signed by Presidents Lennart Meri and Boris Yeltsin on July 26 in Moscow. The opposition forces and several representatives of the ruling coalition were critical of these documents. They expressed an extremely negative attitude towards the agreement on retirees which, as the critics say, legalizes the presence of representatives of "a foreign army" in Estonia. As many as 15 public organizations and parties called on the parliament not to ratify the agreement.

The government is to continue its work with these documents on Thursday or next Tuesday.

Government Group Looks at EU Integration Issues

WS0311114394 Tallinn BNS in English 1614 GMT 2 Nov 94

[FBIS Transcribed Text] Tallinn, Nov 02, BNS—Most Estonian residents support the idea of the country's eventual membership of the European Union [EU] and the step would be a logical continuation of Estonia's current economic policy, a governmental work group for issues of integration with the EU says in a document.

The work group in a report that contains its theses for Estonia's movement toward membership in the EU says an absolute majority, or about 80 percent of the country's residents, is in support of the membership. Those opposed to the country's becoming a part of the EU make up only about 10 percent.

The document, released to the press on Wednesday, was issued for an international conference on the prospects of Estonia's integration with Europe to start in Tallinn on Thursday.

The report finds Estonia's economic policy as generally in line with EU principles and says the country doesn't need to make any major changes in its budget or tax policy to become a EU member.

Estonia still has to work on its legislation on indirect taxation to bring it into line with EU norms, as well as improve banking regulations, including those on the operation of foreign banks in Estonia, the work group says. Estonia currently has vested its central bank with the powers to authorize the opening of a foreign bank subsidiary in the country, whereas EU rules only require a license from the foreign bank's home country for such a step.

Estonia must also establish rules aimed at protection of deposits and bring its legislaion on investment funds into line with EU standards. The country must curb inflation created mostly by the rise in prices for public services.

The work group points out that Estonia because of its liberal foreign trade policy faces problems that are different from those of most of the other nations aspiring for EU membership. No changes with an effect on foreign trade are needed to be made in the legislation.

The problem that remains to be solved concerns the work of the country's customs, which under EU membership will have to prevent goods from the vast territory of the former Soviet Union from appearing on the EU common market illegally under Estonian labels, the work group says.

The report draws attention to shortcomings in the transport sector and its infrastructure and mentions the necessary introduction of licensing in all areas of the transport sector.

A free trade treaty with, and prospective Estonian membership of, the EU would mark a continuation of the development already going on, under which the Estonian industry is set to develop and acquire a more international character without artifical barriers or government subsidies, the work group says.

The report underscores the need to speed up the process of introducing international standards and quality systems and be more active in applying European certification standards.

Neither are there any energy sector-related obstacles to Estonia's becoming a member of the EU. In view of the EU membership of Finland and Sweden, due effective soon, there arises the prospect of connecting the region's energy systems into a common network in which Estonia together with its fellow Baltic states of Latvia and

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Lithuania would become a part in a huge power production and transmission structure between the Nordic countries and Central Europe. Estonia's becoming a member of the EU would substantially increase the hope that the planned gas pipelines from Norway to Central Europe would go through the territories of the Baltic states.

As to the agricultural sector, Estonia's main problem is not how to protect its domestic market from imports, but how to obtain normal conditions for entering the EU markets with its farm produce. The work group says it is inevitable for the country to introduce into its farm policy measures in support of successful export activity.

Nestor on Progress of Tarand Cabinet Nominations

WS0311103194 Tallinn BNS in English 1819 GMT 2 Nov 94

[FBIS Transcribed Text] Tallinn, Nov 02, BNS—A leading member in the parliament group of newly appointed Prime Minister Andres Tarand said on Wednesday that Tarand could slam the door in front of Pro Patria if the party turned down his compromise offer on Cabinet nominations.

"If some group of deputies in the State Assembly won't accept a compromise offered to them, the government will be set up without their taking part," Eiki Nestor, deputy chairman of the Moderate faction told BNS.

Nestor's remarks indicated that the party which ruled the country as senior member of the coalition for the past two years must hand away a key ministerial portfolio in order to remain a part of the government.

Tarand, who received powers from the parliament last Thursday to set up the country's new government, suggested on Tuesday that the ministerial portfolios of interior affairs, justice and economy be divided among three parties.

He mentioned the National Independence Party MP Juri Adams as prospective minister of justice and Rightist MP Kaido Kama as interior minister. This would allow Pro Patria's Toivo Jurgenson to stay on his post as the minister of economics.

The parliament group of the Rightists, who seceded from the Pro Patria and the ruling coalition in spring this year, has declared its backing for the compromise offer.

There were also reports that the National Independence Party, also part of the so far coalition, had agreed to Tarand's compromise.

The head of the Pro Patria parliament group, Tiit Sinissaar, declined to comment on the topic on Wednesday. The Pro Patria earlier has said it won't enter Tarand's government if it were to include leading members from the Rightist faction.

The Pro Patria also has previously said it won't give up any of the three key ministerial portfolios of foreign affairs, economics and justice, but are ready to negotiate on two—defense and energy. Tarand's compromise means that Pro Patria would sacrifice the justice minister portfolio.

Nestor, deputy head of the Moderate parliament group, said the Moderates themselves could fill all vacant ministerial offices in case no other group agreed to the compromise. But Nestor added it was highly unlikely that Tarand would fail to offer a Cabinet list by Thursday's deadline.

According to reports so far, Foreign Minister Juri Luik, Transport and Communication Minister Andi Meister, Culture and Education Minister Peeter Olesk, Finance Minister Andres Lipstok, Social Affairs Minister Toomas Vilosius, Reform Minister Liia Hanni, Defense Minister Enn Tupp and Energy Minister Arvo Niitenberg are to continue on their posts.

Agriculture Minister Jaan Leetsar is to be replaced by his fellow Rural Centrist party member Aldo Tamm. There have also been reports that Vootele Hansen of the Rightist faction would replacee Tarand as the minister of environment.

Tarand, who comes from the parliament's Moderate faction, is not member of any political party. The faction combines the Social Democrats and Rural Centrists, plus a few independent MP's.

Tarand is scheduled to present his cabinet list to President Lennart Meri for approval on Thursday. The new Cabinet has got time in office until the next scheduled general elections in March 1995.

Lithuania

Slevevicius Visits UK, Meets Major

LD0111182794 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 1 Nov 94

[FBIS Translated Text] Prime Minister Adolfas Slezevicius is paying an official visit to the United Kingdom of Great Britain and Northern Ireland.

The prime minister is accompanied by Transport Minister Jonas Birziskis, Seimas member Gediminas Kirkilas, and Rimantas Mencinskas, head of the prime minister's secretariat.

Government Press Attache Vilius Kavaliauskas reports by telephone from London:

[Kavaliauskas] Today was probably the most important day of the official Lithuanian Government delegation's visit led by Prime Minister Adolfas Slezevicius. This morning, the Lithuanian prime minister met his counterpart, British Prime Minister John Major. As you know, John Major visited Lithuania not long ago and [words indistinct] in our state. Something similar also

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happened today, when John Major asked intensive questions about Lithuanian policy regarding military transit and whether our neighbor, Russia, accepts the transit rules. I am not revealing a great secret if I say that I think John Major had on his desk documents about Russia's reaction to our proposals on military rules. Major emphasized that it is in the interest of all states, including of Lithuania, Britain, and Europe, that such an agreement be signed. I think the British prime minister' remarks support the processes taking place in Lithuania at present.

I think that among the most important meetings was that between the prime minister and Michael Heseltine, secretary of state for trade and industry. The meeting raised many questions about how Britain can help us economically. As is known, above all, we need funds. Heseltine discussed with our prime minister credits which may be used for the purchase of British technology.

This morning, the Lithuanian delegation met representatives of various banks, and of the European Bank for Development and Reconstruction and Development, who are very interested in the Butinge project [oil terminal construction], and representatives of the Rothschild Bank who are putting together the finance for the realization of this project.

There will be further meetings with British politicians, and tomorrow evening the delegation returns hone.

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